

EUROPEAN NEWS

Meat prices
get the
chop
in GreeceBy Andriana Ierodiconou
in Athens

GREEK BUTCHERS are threatening to shut their shops next Monday for the whole of Christmas and New Year, unless the government backs down on plans to impose price cuts on imported veal and other meat from today.

The "Battle of the Veal Chop," as Greek newspapers have dubbed it, began at the weekend when plans to take a cleaver to meat traders' profit margins were announced by Mr. George Moraitis, the Commerce Minister.

From today, Greek housewives will pay Dr 50-Dr 90 (35p-65p) a kilo less for imported veal and beef, bringing the price down to a fixed Dr 300 (22.1p) a kilo. Greece imports about 90 per cent of its veal and beef needs.

Taverna customers will also pay less for pork dishes, provided according to a new pricing decree, they patronise an establishment which purchases live pigs directly from its man.

According to Mr. Moraitis, the price cuts, which have been imposed initially until the end of February, will be extended to lamb, poultry and fish.

He claimed that the price reductions had been agreed with meat retailers, as well as importers and distributors. But this was hailed by the reaction of the Greek National Butchers Federation.

State radio and television responded to reports of panic buying with soothing official assurance that there will be no shortage of meat.

Pro-government newspapers blamed the butchers' action on a conspiracy masterminded by the right-wing opposition. In a more lighthearted response, one cartoon showed the Three Wise Men standing next to a butcher's block with a sign reading: "Camel's meat—cheap today."

Soviet economy turns
in best performance
for several years

BY ANTHONY ROBINSON

THE SOVIET economy appears to have achieved its best performance in five years thanks to a combination of favourable harvest conditions, a highly publicised campaign against waste and corruption and a deliberate attempt to pinpoint and remove bottlenecks in key sectors like transport and energy supply.

As a result, Soviet industrial production statistics show a 4.1 per cent rise over the first 11 months of this year, well above the post-war low of 2.8 per cent registered in 1982 and also comfortably above the 3.2 per cent industrial growth target for 1983, the lowest growth target ever set.

Once again the gas industry appears to have been the star performer, pushing up output of natural gas by 7 per cent to 487bn cubic metres over the 11-month period. Oil output also continued to rise, albeit at the marginal rate of 0.8 per cent, to 665m tons.

The problems of the coal industry are continuing, however, with a further small drop in output after four years of stagnant or declining production. Output of many consumer goods also fell below target, as did several large agricultural equipment plants.

Favourable weather conditions, however, have helped produce the harvest of grain and many other crops for five years.

The authorities stopped issuing official grain output figures two years ago because of embarrassingly bad harvests of around 160m tons in 1981 compared with the 180m tons last year compared with the targets of 235m tons. This year, Western agricultural experts estimate a grain crop

in excess of 200m tons, and confirm Soviet reports of the best grain, cotton, vegetable, fruit, potato, grape and tea crops since 1978.

Soviet output statistics usually provide an approximate indication of trend rather than an accurate account of economically useful production. Accounting methods underestimate the effects of inflation on output value. But the system also encourages officials to upgrade figures where possible, to ensure bonus payments, while a high proportion of production is either wasted, misdirected or of below-standard quality.

The extent of such wastage was revealed recently in the trade union newspaper *Trud* which reported that "raw and processed materials, equipment and parts worth billions of roubles are today stacked in the stores of industrial enterprises or lying about unwanted on construction sites... because ministries, when amending the tasks of enterprises, change only the production programmes."

Having changed enterprise production targets, planners then often fail to change the downstream plans for material and technical supplies. As a result, *Trud* said, "railway wagons containing materials that are no longer needed continue to arrive and the goods delivered go into stores."

Trud did not add that such deliveries, unwanted and frequently unguarded, are often subsequently stolen or bartered. They thus provide raw materials for the unofficial "black" economy whose vitality helps to make up for the over-estimation of the official growth figures.

David Barchard in Ankara describes the approach of the new civilian Government
Business, for Turkey, not as usual

NOW THAT he has finally become Prime Minister, five weeks after winning an absolute majority in Turkey's general elections, Mr Turgut Ozal and his Motherland Party can look forward to a honeymoon period for at least a few months.

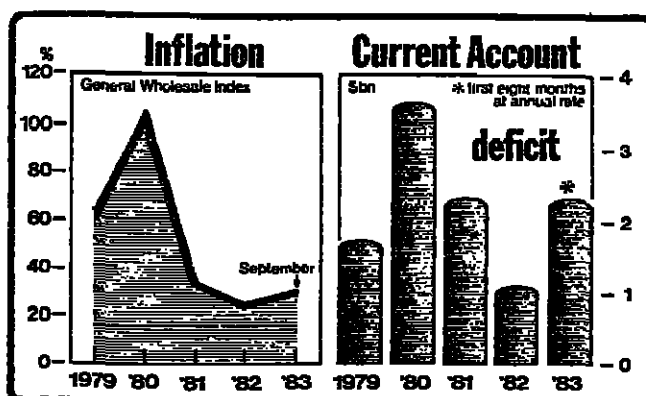
Though no one in Turkey says so openly, there is widespread relief that a civilian government is once more back in office. This relief has been heightened by the delay in handing over power to Mr Ozal, a delay which lasted considerably longer than the constitutional requirements to which it was attributed made necessary.

The mood of expectancy has not been tempered by the now-fading memories of the shock that Mr Ozal's 1980 austerity programme caused. Turks are aware that he achieved a dramatic normalisation of daily life in a short space of time then said that he is now promising rapid expansion.

This is the first time Mr Ozal or any of his Ministers have been members of Parliament. No one is yet sure how cohesive his Motherland Party will prove to be. Its vote in the election shows that it relies very heavily on rural and conservative voters in the Asian part of the country. Mr Ozal's own background mixes years supporting the old parliamentary conservatives and one-time candidacy for the pro-Islamic National Salvation Party, now disbanded, as in that of some of his ministers, including Mr Husnu Dogan, his Agriculture Minister and former chief of the foreign investment department.

By some, however, the Motherland Party is seen as partly a continuation of the neo-Fascist Nationalist Action Party at least in terms of the affiliation of some of its officials, if not in terms of their policies.

Certainly the party is a coalition of all the elements on the Turkish Right which oppose Mr



Suleyman Demirel, the former Prime Minister. On Mr Ozal's immediate political calendar are the local elections which will be contested by Demirel followers and by Social Democrats banned in the November poll. His strategy seems to be to go to the voters again before his honeymoon period is over.

The Ozal Government is likely to provide the first occasion in which important sections of the Istanbul business community will have a major say in national affairs. Until now, captains of industry have been relegated to the political sidelines as Mr Demirel and Mr Bulent Ecevit battled for the votes of peasants, civil servants and small merchants.

Inevitably, therefore, Mr Ozal's programme is likely to aim at modernising the Turkish economy and its institutions to make possible rapid export-oriented growth. His plans, iconoclastic though they may seem to bureaucrats in Ankara, are what businessmen have been privately urging for years. Now, by a political fluke, they have a Government which will try to follow their prescriptions.

Mr Ozal's two chief priorities are likely to be bringing down inflation and improving Turkey's balance of payments per-

formance. In the long run his aim is clearly to internationalise the economy and make Turkey into a major trading nation with its industries geared to exports rather than to the domestic market.

He takes over at a time when the economy looks less healthy than for some years. Inflation is pushing up again towards an annual rate of 40 per cent. The deficit on the current account of the balance of payments will be well over \$1bn and bankrupt companies are lining up for state aid. The Turkish Gross National Product, which grew by 4.1 per cent last year, will grow by 3.1 per cent this year, well below target levels.

Mr Ozal has said that he will not prop up any more ailing groups, so some big bankruptcies must lie ahead, which will not bring political popularity. He will push up interest rates to encourage saving but hopes to be able to ease borrowing costs to business by cutting the transaction tax on bank loans. Borrowers are currently paying around 25 per cent interest on their loans with commissions and other charges pushing the actual cost to nearer 65 per cent.

He also plans a "dirty float" for the Turkish lira, under which there will be more con-

vertibility than Turkey has known since the First World War. Banks will be allowed to set their own prices for foreign exchange within a permitted band and businessmen will find it easier to transfer money out of the country. The import regime will also probably be liberalised to allow in more consumer and luxury goods.

The major question, still unanswered, is whether Mr Ozal is contemplating a further austerity package in the New Year, perhaps including a swinging devaluation of the lira. At present it seems that he is not, though an initial round of price increases and further rapid devaluation of the lira seems inevitable.

None of this is likely to prove popular at home, at least initially. For domestic support, Mr Ozal is planning schemes to encourage investment away from Istanbul, which has taken most private investment until very recently, to the remote regions. There may be schemes to promote foreign investment in Eastern Turkey, which remains far poorer than the West.

Bureaucratic restrictions will be cut to a minimum. "You need 15 different documents in Turkey to get a driving licence," he says. Tax rebates will be offered to salary earners, especially in the civil service. A Turkish civil servant in a fairly responsible position earns only between \$100 and \$150 a month, compared with at least \$400 for a comparable job in the Istanbul private sector. This explains the gloomy and second-rate quality of the Ankara civil service.

Mr Ozal plans cheap housing schemes, but it is unclear what he will do with the agricultural sector. His voter base suggests that he should follow the Demirel Government's trend of giving farmers high support prices, but he seems more likely



Mr Ozal: background in ultra-Islamic party

to phase them out and try and induce foreign and local capital into Turkish agriculture for export markets. Nor is he sanguine about his chances of bringing down unemployment, currently at about 20 per cent of the work force.

In many ways the new Prime Minister is in a beleaguered position. On the one hand, he has to contend with President Evren and the army who have handed over power only grudgingly and bequeathed him costly schemes such as the \$1.2bn F-16 fighter project (expected to be formally signed this week) which will be a burden on the economy.

On the other hand, he has both Mr Demirel and the Social Democrats at his heels, pointing out that there are alternatives to Mr Ozal's discipline. Mr Ozal's best bet seems to lie in not trying to be too much of a politician and simply being frank with the public about the short-term costs and long-term benefits his policies can be expected to bring.

East Germany to lend an
even bigger helping hand

BY LESLIE COULT IN EAST BERLIN

EAST GERMANY is assuming an increasingly large role in the modernisation of the Soviet Union's underdeveloped agriculture and food processing and is to help improve its consumer goods production. Soviet economists have estimated that, in addition to other agricultural losses, nearly 20 per cent of the annual Soviet harvest is wasted for lack of food processing factories.

At a regular meeting in East Berlin of the Joint Soviet-East German Commission on economic and technical co-operation, East Germany has agreed to build cold storage facilities in the Soviet Union for potatoes, fruit and vegetables, and to modernise existing ones over the next six years.

It is to help the Soviet Union build refrigerated railway cars and is to erect repair centres for East German farm

equipment. The East Germans are also to provide know-how to produce high-yield fodder plant seed and fodder harvest technology.

In the past two years, East Germany has signed 22 government agreements with Moscow to modernise Soviet consumer goods production from home appliances to lamps. This has now been extended to include upholstery furniture. Moscow wants East Germany to increase its exports of consumer goods to the Soviet Union, whose officials argue that East German consumers are well supplied by comparison with deprived Soviet citizens.

East Germany has a growing deficit in trade with Moscow of Soviet oil and gas prices which have risen far more rapidly than prices of East German machinery sold to the Soviet Union.

Tiny Communist Albania, meanwhile, which is at odds with both the Soviet Union and China, has accused Moscow of following a "typically capitalist policy of bribe and robbery" towards East Germany and the other Comecon members.

Radio Tirana, broadcasting in German, said Moscow buys machinery and equipment in East Germany, which is up to 30 per cent cheaper than on the world market. It said East Germany must often pay again in order to bring already-delivered Soviet machinery to the point where it operates.

Police summon
Walesa for
questioningBy Christopher Sobinski in
Warsaw

PLEADING a high fever, Mr Lech Walesa, the Solidarity leader, seemed likely to miss a summons to the Gdansk police headquarters for questioning early yesterday evening. The summons came two days before he is due to speak at the Gdansk shipyard monument which commemorates those who died in food price demonstrations in 1970.

Solidarity's underground leadership has also called for nationwide demonstrations on Friday to mark the second anniversary of the imposition of martial law and the consequent deaths in Solidarity demonstrations.

Mr Walesa's summons fits into a pattern of harassment which started last week when hundreds of uniformed police guarded Warsaw airport when Mrs Danuta Walesa flew to Oslo to receive her husband's Nobel Peace Prize.

On Tuesday, Mr Walesa's car was stopped 13 times and he and his party detained for two hours in Lodz on their way back from the national religious shrine in Czestochowa where Mr Walesa had presented his Nobel medal.

The authorities, meanwhile, have published "for consultation" the rules which will apply to local government elections expected next May. Parliamentary elections due at the same time are to be postponed because the Government fears a widespread boycott.

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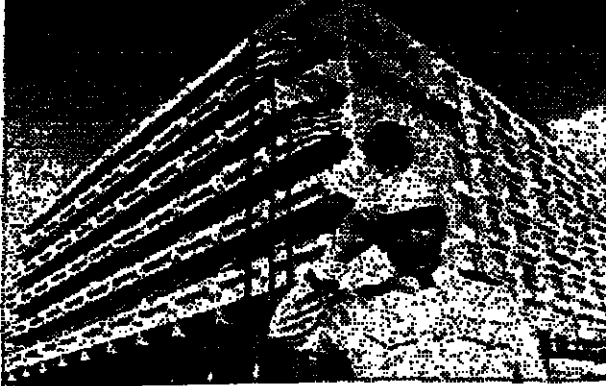
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AMERICAN NEWS

Alfonsin orders court martial of juntas

BY JIMMY BURNS IN BUENOS AIRES

IN THE boldest move ever taken by an Argentine civilian leader against the country's armed forces, the new president, Sr. Raul Alfonsin, has ordered the court martial of the three military juntas which governed between the coup of 1976 and the end of the Falklands war in 1982 and requested parliament to repeal an amnesty law protecting all officers who committed human rights violations during this period.

The initiative was announced after Sr. Alfonsin's cabinet had met for the first time to approve a package of seven laws aimed at laying the ground rules for a democratic state in the country.

The new legislation, due to be debated by an "extraordinary" session of parliament today, includes a sweeping reform of Argentina's legal system which has hitherto been controlled by the military in open violation of the country's 130 year old liberal constitution.

The newly elected congress,

which has been recalled from summer recess, will consider making torture punishable by life imprisonment and will also introduce a recourse of habeas corpus for all civilians condemned by military courts.

However, in a move apparently aimed at dampening military opposition, Sr. Alfonsin named seven extreme Left-wing terrorist leaders including Sr. Mario Firmenich, the exiled head of the Montoneros, the outlawed militant faction of the Peronists, as subject to future trials if they carried through with their threat of returning to Argentina.

Sr. Alfonsin also said that his government favoured selective justice of a small number of military officers in addition to the juntas rather than sweeping trials.

Measures aimed at curbing the powers of the military had been widely expected because of Sr. Alfonsin's longstanding involvement with the human rights issue and his outspoken

criticism of the military during the election campaign.

The junta which ordered the invasion of the Falklands in April 1982, is already facing a separate court martial after the results of an investigation into the conduct of the war were leaked to the press last month with the apparent approval of Sr. Alfonsin. One of the members of the junta which led the coup in March 1976, Admiral Emilio Massera, is also already awaiting trial in connection with the alleged murder of his mistress's husband.

Nevertheless, many Argentines yesterday were surprised that it has the necessary support among the civilian population as well as from within the armed forces to push ahead with its controversial initiative.

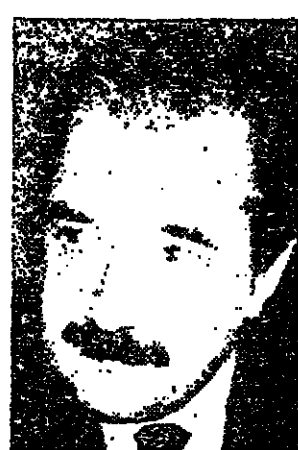
Tuesday night's announcement coincides with the appointment of a "professional" with neutral political views, General Julio Fernandez Torres, to the key post of head of the joint chiefs of staff, the most

which had led to the "disappearance" of an estimated 15,000 Argentines.

Three generals, three admirals and three air force brigadiers including three of the military regime's four presidents—General Jorge Videla, General Roberto Viola, and General Leopoldo Galtieri—have been charged by the civilian government with responsibility for "murder, illegal arrest and torture."

In spite of the expected opposition of some officers linked to the previous regime, the new civilian government is confident that it has the necessary support among the civilian population as well as from within the armed forces to push ahead with its controversial initiative.

Tuesday night's announcement coincides with the appointment of a "professional" with neutral political views, General Julio Fernandez Torres, to the key post of head of the joint chiefs of staff, the most



Alfonsin... acting to ensure stability

senior military post after the president and the civilian minister of defence according to the new command structure drawn up by the Radicals following the dissolution of the junta.

IDA stake reallocation proposal

By David Marsh in Paris

A PLAN by leading member nations of the World Bank to set up a "parallel fund" to increase the resources of the International Development Association, the Bank's soft-loan affiliate, is likely to be discussed at a four-country meeting at the French Finance Ministry in Paris today.

The gathering, linking Japan, West Germany, Britain and France, has been arranged mainly to discuss the Tokyo Government's plan to become the second largest member of the World Bank after the U.S. by increasing its capital stake and voting power in the international development institution.

Japan, whose formal stake is just over 5 per cent, wants to leapfrog Britain, traditionally the second member of the World Bank, France, and Germany in recognition of its position as the second largest economy in the capitalist world.

The other countries involved have agreed in principle to the reshuffling of stakes—to be carried out by a selective capital increase of the Bank, subscribed by Tokyo. Today's meeting will focus on the precise sizes of the top five stakes after the share juggling.

At the same time, the question will probably be raised of an additional effort by donor nations to increase contributions to IDA. This follows the U.S. refusal at a Paris meeting last weekend to reconsider its plan for a sharp cut in its IDA grant over the next three years.

Chile denies plan for devaluation

CHILEAN economy minister Andres Paez has denied rumours of an impending devaluation. He defended Chile's current exchange rate system, which provides for a sliding devaluation in accordance with inflation and noted that it had allowed Chile to accumulate a trade surplus of nearly \$100 million during the first 11 months of this year, Mary Helen Spooner writes from Santiago.

The Chile peso's official bank rate is currently hovering around 57 to the dollar, while the parallel market rate has risen to as much as 105 pesos as rumours of a devaluation circulate. Normally, the parallel market rate runs about 10 pesos higher than the official rate.

Reagan to announce candidacy decision on January 29

WASHINGTON — President Reagan will announce whether he will seek re-election in a speech from the White House on January 29, Mr. Larry Speakes, the Presidential spokesman, said yesterday.

Although Presidential advisers insist Mr. Reagan has not promised outright that he will seek a second four-year term in 1984, Mr. Speakes said: "I would be willing to put big money" on bet that the President will indeed declare his candidacy.

He will make a speech in the Oval Office on January 29, at which time he will announce a decision, Mr. Speakes said. President Reagan authorised an official re-election committee in October, a step that made him a candidate in the eyes of the law even though he insisted he was reserving his own decision.

Republican Senator Paul Laxalt of Nevada, who heads the re-election group, said that if Mr. Reagan announced he was not running "it would be the greatest national political shock of all time, at least to the Republican Party."

Mr. Reagan, the oldest American to serve as president, will be 73 on February 6. His doctor says he is fit, and White House officials say he is well able to handle an arduous campaign.

He will make his speech four days after delivering to Congress his annual State of Union message, which will outline his legislative goals for 1984 and could serve as a manifesto for his personal re-election appeal to the public.

In keeping the public guessing about his plans, Mr. Reagan has said an early statement of candidacy would leave him open to charges he was playing politics in the White House, while one announcing he meant to retire would make him a "lame duck."

His controversial economic policies during the 1981-83 business recession led to a drop in his popularity in opinion poll ratings. But his standstill have improved sharply with the recovery and a national unity mood created by the invasion of Grenada and the attack on U.S. marines in Lebanon.

Officials said a survey conducted by Republican Party pollster Mr. Richard Wirthlin showed that the President's popularity rating now stood at 62 per cent.

Mr. Walter Mondale, former Vice-President, holds a commanding lead in polls, party support and momentum in the upcoming Democratic Party's Presidential nomination race. Senator John Glenn of Ohio is rated his closest competitor for primary elections that begin late next February.

Reuter

Talks on Argentina debt deferral

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA'S LEADING creditor banks will meet in New York today to decide on a request from the country's new Radical government, for a 90-day repayment moratorium, on about \$500 million of foreign debt.

The request, announced in Buenos Aires on Tuesday night by Sr. Bernardo Grinspun, the new Argentine economy minister, followed a series of secret talks over the weekend with Mr. Timothy McNamar, deputy secretary of the U.S. Treasury, and local representatives of the leading foreign banks.

Sr. Grinspun said he had asked foreign banks to defer today's deadline for the signature of a rescheduling agreement worth about \$600 million with about 30 public sector agencies. A further \$200 million was the surprise figure put on 1983 arrears by Sr. Grinspun, although he did not specify whether this referred to principal or interest or both.

Previously, foreign bankers had suggested that Argentina had paid its arrears up to the first week of October. According to Sr. Grinspun, the moratorium had been requested so as to give the new Argentine authorities more time to work out rescheduling arrangements on the country's \$400 million foreign debt comparable

with his 1984 target and medium-term economic strategy. Banking sources in Buenos Aires suggested that the moratorium was not a unilateral decision. It is understood that U.S. banks have been asked by the U.S. administration to be flexible as a gesture of goodwill towards the new democratic authorities. A sign of their trust in Sr. Grinspun's public statement that his government will eventually honour all its debt obligations.

Before leaving Buenos Aires on Tuesday, Mr. McNamar said that he was convinced that the new Argentine Government was determined to formulate an economic programme which "without a doubt will be satisfactory to the International Monetary Fund." He added that in his view, Argentina had all the necessary resources for an early economic recovery, helped by an extended facility with the IMF.

Argentina has apparently reassured its creditors that it will use inflows from her grain exports in the first quarter of 1984 to maintain interest falling due as from January 1 up to date. It will also work closely with foreign creditors in arranging a major rescheduling package on some \$140 million

principal also falling due next year.

Significantly, the Argentine Government has let it be known that it will be sending a leading official to Washington later this month for further talks with the IMF on a three-year standby arrangement to replace the current agreement signed last January and which expires at the end of March. The official, Sr. Ubaldo Aguirre, is now acting as an adviser to Sr. Grinspun, after enjoying high standing among foreign banks as a key negotiator on the foreign debt under the outgoing military government.

Sr. Aguirre is believed to have ensured informal contacts between the radical team and Argentina's foreign creditors in the transition between the elections on October 30 and the swearing in of Sr. Alfonsin. Foreign bankers had originally hoped to sign the outstanding public sector contract with the outgoing military authorities. But in recent weeks they had reluctantly accepted that a growing administrative paralysis caused by the imminent handover of power would make it very hard for Argentina to complete its arrangements as planned on December 15.

Mid-east trip boosts Brazil loan hopes

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

BRAZIL is confident that it has persuaded reluctant banks in the Middle East to subscribe to the \$650 million loan it is raising from its international bank creditors, Prof. Antonio Delim Netto, Planning Minister said in London yesterday.

Middle East banks have been holding out against the loan, resulting in a shortfall of some \$80 million in contributions from the region and adding to fears that the loan will not be ready for disbursement on schedule before the end of the year.

Speaking in London on his way back from a trip to the Middle East, Prof. Delim Netto said he now expects contributions from Middle East banks to start flowing again. "We are making every effort to finish this operation before the end of the year," he said.

It is understood that banks in Kuwait have proved the most resistant to the loan, to which total subscriptions now stand at more than \$420 million. Brazil's bankers intend to continue to press for subscriptions and a final decision on disbursement does not need to be taken until after Christmas.

Prof. Delim Netto said there was now no doubt that Brazil would meet its target of reducing its budget deficit to 2.7 per cent of gross domestic product this year. The deficit is being monitored closely under arrangements set up by the International Monetary Fund which allow for any deviations to be speedily detected and corrected.

Brazilian officials say that the deficit is regarded as a much more important target for the IMF than the rate of inflation, which now stands at about 210 per cent a year. It has accelerated in 1983 partly because of the overvaluation of the cruzeiro in the spring and partly because of the effect of bad weather on agricultural production.

Although inflation should drop next year, Brazilian officials do not expect the IMF to be too worried if Brazil fails to meet its target of reducing price rises to 2.5 per cent a month as long as the basic target for the budget deficit is met.

OVERSEAS NEWS

Japan's ruling party heading for majority, opinion polls show

BY JUREK MARTIN IN TOKYO

THE RULING Liberal Democratic Party appears assured of winning an overall majority of seats in Sunday's Lower House election. It may not do well enough, however, to make inevitable reconfirmation of Mr. Yasuhiro Nakasone as Prime Minister, according to the latest public opinion polls.

The most optimistic for Mr. Nakasone was that published by the Yomiuri newspaper, which tends to support him in any case. It predicts that the LDP will win 274 seats (284 in the old Diet), against 109 for the Socialists (101), 57 for Komeito (33), 33 for the Democratic Socialists (also 32) and 19 for the Communists (29).

The Mainichi newspaper, less sanguine, predicts 267 for the LDP, 111 for Komeito, 53 and the DSP and Communists 32 apiece. Jiji Press forecasts LDP 268, JSP 109, Komeito 56, DSP 33 and Communists 24.

If the LDP can score 270 seats, assuring itself of absolute control over and the chairmanship of all the 18 standing parliamentary committees, then Mr. Nakasone's leadership will be in political clover. Much less than that, as several LDP leaders have recently intimated, and he may have an intra-party fight on his hands.

If Mr. Nakasone is worried, Japanese companies see better business climate

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

BUSINESS confidence among major Japanese companies has improved sharply during the past three months, according to a survey conducted by the Bank of Japan. However, the number of companies who feel they are in a recession still exceeds those who see conditions as "good."

The Central Bank's survey of 352 large manufacturing companies reveals a 17 per cent majority in favour of the view that conditions are difficult compared with 29 per cent in August and 35 per cent a year ago when the economy touched bottom.

In the non-manufacturing sectors where BCI surveyed 169 major companies the pessimists

exceeded optimists by 8 per cent as compared with 12 per cent at the deepest stage of the recession.

The survey indicates that by March "pessimists" will exceed "optimists" by a mere 3 per cent and 6 per cent in manufacturing and non-manufacturing.

Confidence has improved in most major sectors of the economy except shipping and shipbuilding. Export oriented industries now include a majority of respondents who see conditions as "good." The widest margin of yes against no came from the precision machinery industry.

'No early upturn' for Zimbabwe economy

By Tony Hawkins in Harare

ZIMBABWE industrialists—with the notable and important exception of exporters—see few grounds for an upturn in the first half of 1984, according to the University of Zimbabwe's half-yearly business opinion survey published today.

The survey says that while industrialists appear to be "fractionally" more optimistic than six months ago, half the sample of 106 manufacturers are forecasting lower output and sales in the first six months of 1984.

An important exception, the survey says, is the expectation of improved exports. Some 34 per cent of respondents say that exports rose in the last six months and a further 27 per cent are forecasting higher exports in 1984.

The survey attributes this pick-up to the 30 per cent depreciation of the Zimbabwe dollar in the past year, the re-establishment of the Government's export incentive scheme, the World Bank's revolving fund of foreign currency for exporters and the depressed domestic market.

Weak domestic market is now a greater constraint on output than the level of foreign currency allocations which in the past restricted production due to the lack of imported inputs, the survey finds.

More than three-quarters of industrialists are operating below capacity and few have any plans to expand employment.

The survey forecasts a further decline in profit margins. It concludes that the most likely scenario is a further gentle decline in production in the first six months of 1984 with the possibility of a "modest recovery" towards the end of the year provided there are good rains over the next few months and provided the international economic recovery remains on course.

The survey warns, however, that the new farming season has not started well and fears that the agricultural stimulus both to exports and domestic demand might well turn out to be disappointing.

Kuwait bombings highlight Gulf political and religious minefield

Emirates tread a delicate path

BY STEPHANIE GRAY, RECENTLY IN ABU DHABI

FEW WOULD have given much for the chances of survival of the Federation of seven rival Bedouin Sheikdoms which became the United Arab Emirates in 1971. They would have had even less hope for its prospects of stability when its oil wealth swamped the tiny ruling nobility with foreign workers, mostly Muslims, from the Middle East's hot spots, who now number 800,000.

This week's bomb explosions in Kuwait have highlighted the delicate path the Emirates have had to tread between their war-ravaged neighbours and the generous support—\$500 million last year—to the Iraqi war effort against Iran but also has traditional historical ties with Tehran mainly through its 20,000 Persian traders.

It is understandably wary of the link, especially since one effect of an outbored local opinion has been a further retreat into religious conservatism. But the rulers of the UAE feel that the bloodshed and chaos within Iran have caused the revolution to lose much of the appeal it originally had for young religious and radical elements in their states.

The Emirates contain the ingredients for any number of tribal feuds, but the local Press and pump out a stream of vitriolic anti-American propaganda. Egyptians, many of them Islamic fundamentalists, make up the teaching force. Iranians, owing allegiance to Ayatollah Khomeini's Shiite regime, comprise a large part of the Dubai trading community, and a substantial minority of the local population are also Shiites.

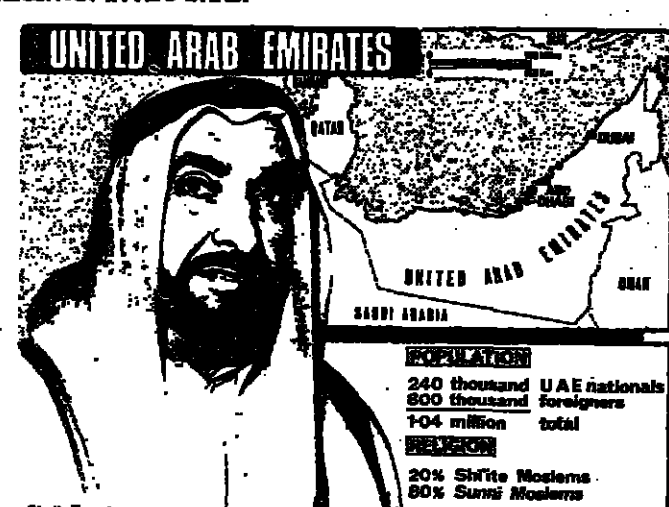
Philippines suffers further fall in foreign investment

BY CHRIS SHERWELL IN MANILA

INCREASED foreign investor concern over economic prospects in the Philippines was indicated yesterday in figures showing a sharp fall in new foreign investment in October.

The trend coincides with an erosion of confidence on the part of foreign banks following the assassination of the popular opposition leader Mr. Benigno Aquino in August.

It also comes at the same time as the Government, short of foreign exchange, is keen to



any possibility of UAE citizenship, they have enjoyed good wages and all the benefits of what must be one of the world's most comprehensive welfare states.

Nevertheless, the wishes of a small local population that is both newly wealthy and increasingly nationalistic were always likely to surface. Sharply reduced oil revenues and cuts in Government spending have speeded the process.

Local inhabitants are being nudged towards tightening their belts and every effort is being made to persuade foreigners to leave.

Now and then purges are mounted, marked by unashamedly racist outbursts in the Press, roadblocks, identity checks and mass deportation of those described as illegal

immigrants.

Many Arabs are fearful of returning to their home countries and thousands of Palestinians have only invalid Lebanese travel documents, limiting their freedom of movement. Their problems have been complicated by the introduction this year of the controversial "six-months law," which forbids any foreign worker to change jobs without first spending six months in the host country. The initial impact of the law was to create hordes of illegal aliens overnight.

The fear of losing jobs and/or expulsion goes some way to explain why the UAE has remained relatively free of extremist agitation, and can remain reasonably confident of withstanding future shocks to the region.

Retaliation raids by Iraq

By Our Middle East Staff

IRAQ said yesterday it had used its air force and ground forces to attack five Iranian cities in retaliation for Monday's bomb attacks in Kuwait.

A military spokesman did not specify which towns had been hit, but the attacks form part of a regular series of Iraqi attacks on targets in the west of Iran.

Iraq was the first Arab country to accuse Iran of responsibility for the six bombs in Kuwait which killed six people and wounded another 60. Kuwait has been one of Iraq's most important supply routes since the Gulf War started in September, 1980, and has also contributed at least \$500 million (\$4.2bn) in financial support.

The Iranian national news agency admitted later that the towns of Dezful, Andimeshk and Behbahan had each been hit by a single missile yesterday afternoon but gave no details of damage or casualties. Iran has bitterly denounced Iraq for its apparently indiscriminate use of Soviet-made Scud missiles which it says have been aimed principally at civilian targets, including schools.

Iraq has pledged to use all the weapons in its arsenal to stop Iran from using the same in Tehran continues to launch cross-border assaults. In the latest Iranian offensive a month ago, Iraqi troops were forced to concede at least 20 square miles of mountainous territory around the town of Jeniwah in the northern part of the battlefield.

Tehran 'will abide by oil quota'

IRAN will not produce more oil than its quota of 2.4m barrels per day agreed with the Organisation of Petroleum Exporting Countries despite previous hints that it would, Mr. Mohammad Gharazi, its Oil Minister, said yesterday. Reuter reports from Tehran.

Iran shall at present refrain from producing more than 2.4m b/d, he told a news conference after returning from Opec's recent meeting in Geneva.

Before going to Geneva Mr. Gharazi accused Saudi Arabia of producing far more than it had agreed and said this made it difficult for Iran to accept the present limit on its output.

But Mr. Gharazi said yesterday: "We still consider ourselves obliged to stick by Opec and to carry out its commitments. Even if certain people act against the solidarity of Opec, we shall make efforts to keep Opec in a strong international position."

Meanwhile, Iran has blocked all six of its oil wells in the offshore Nowruz and Ardashir fields in the Gulf with cement, virtually eliminating the risk of oil pollution in case of future Iraqi attacks on the wells, the World Wildlife Fund, said yesterday. Reuter adds from Gland, Switzerland.

Some 75 wells in the Nowruz field and all the wells in the nearby Ardashir field have been blocked down to the seabed, the WWF said.

These wells will eventually have to be re-filled to be put back into production, the Swiss-based environmental body said.

According to the WWF, an oil slick from the Nowruz field, damaged by Iraq, has wiped out almost the entire population of a rare mammal, the dugong, as well as almost all sea snakes in the Gulf.

Wells on two platforms in the Nowruz field are still burning after being hit by Iraqi missiles in March, it said.

EEC-China textile negotiations reach deadlock

By PAUL CHEERIGHT IN BRUSSELS AND ANTHONY MORETON IN LONDON

THREE WEEKS of tough talks in Brussels have failed to settle the level at which China may sell textiles and clothes to the European Community over the next five years.

They will start again in February, probably in Peking. The breakdown came just two days before China submits its application to join the Multi-fibre Arrangement, the world agreement which governs much of world trade in these products, to be discussed at Gatt in Geneva today.

Under the terms of the present agreement between China and the EEC, which dates from 1979, trade between the two can continue at a slightly higher level than in 1983.

This will be nowhere near what the Chinese have been seeking. In highly sensitive areas, such as cotton yarn, spun synthetic fabrics, knitted shirts, sweaters and trousers, China wanted to send another 20 per cent to the Community. The EEC has countered that the rise should be around 1 per cent. The Chinese have refused to move their negotiating position and so a deadlock was inevitably reached.

Sharjah fertiliser deal

By PAUL BETTS IN PARIS

CDF Chimie, the chemicals offshoot of Charbonnages de France, the French coal board, is expected to sign a major joint venture agreement with the Sharjah Economic Development Corporation (SEDC) in the first quarter of next year to build a fertiliser complex valued at nearly \$300m (£208m) in the

Arab Emirates. The plant is due to have a capacity of 1,350 tonnes a day of ammonia and 1,750 tonnes a day of urea. It will be fed with gas produced in the Gulf state. The SEDC is expected to own 70 per cent of the fertiliser venture with CDF Chimie owning the other 30 per cent.

New aircraft designs boost morale at Fokker

By WALTER ELLIS IN AMSTERDAM

FOKKER, THE Dutch aerospace group, enters 1984 with hopes higher than for several years. What bears these hopes aloft in spite of the downward pressure of falling demand for existing aircraft is the arrival at last of two new designs.

The recently announced F-50 and F-100 aircraft intended as successors ultimately to the highly successful F-27 and F-28, mark the end of a long period of introspection at Fokker, when its role as a partner/competitor to Boeing, British Aerospace, Airbus Industrie, and McDonnell Douglas was in great doubt.

The collapse in 1981 of ambitious plans for a joint project with McDonnell Douglas threw the Dutch aircraft maker

into a kind of torpor from which it has only this year emerged.

Sales of nearly 60 F-27s and more than 200 F-28s have been a signal of Fokker's ability to compete. But the market, seeking something new, has forced Fokker to bite down and work hard within its limited resources to come up with an answer.

Rather than coming up with something radically new—and prohibitively expensive—it has decided to rebuild the F-27 and the F-28, selling anything like as well as the F-28, deliveries of which now exceed 210, Rolls-Royce can expect to see its order from Fokker quadrupled.

If Short Brothers of Belfast, builders of wings for the F-28, are given the contract for the F-100 wings, Northern Ireland will be a third beneficiary.

The F-100 is designed to seat up to 107 passengers, compared with a maximum of 85 carried by the F-28. It is thus midway between its linear predecessor and the abated F-28 that would have come out of the link with McDonnell-Douglas.

The smaller F-50—styled somewhat jauntily as "the project the airlines have been asking for"—will be a 50-seater, the same as the F-27. Its main distinguishing feature will be the six-bladed Dowty rotol twin propellers by Pratt and Whitney of the U.S., which represent state-of-the-art engine technology.

As with the present, updated versions of the Friendship and Fellowship models, the new aircraft will incorporate advanced composite materials, many developed by Fokker itself. Both should be quiet and economical, and rather more spacious than their forebears.

Again, competition for the F-100 is likely to be British Aerospace's four-engine "regional jet" the BAe-146, which in its Series Two version also carries 108. Fokker and British Aerospace last year were at daggers drawn over the respective merits of the established F-28 and the new 146. This battle will be joined again in earnest when the first F-100 enters service, probably in the spring of 1987.

David Lennon reports on Israeli misgivings over commercial ties since Camp David

Why Israel-Egypt trade has failed to develop

THE LOW LEVEL of trade between Israel and Egypt is a sore point in Jerusalem, which had hoped that by now the 1979 peace treaty would have been cemented by lively commercial relations.

The only significant trade development has been the sale by Egypt to Israel of some \$800m worth of oil a year. Israel did manage to build up its sales to Egypt to \$25m in 1982, but this trade has fallen sharply to \$6.5m in the first ten months of this year, because of Egyptian objections to the Israeli invasion of Lebanon.

"We missed a great opportunity, because we should have insisted on having reciprocal trade arrangements—namely, that we pay for the oil in goods and services—and not with dollars," says Prof. Seev Hirsch, co-author of a recently published book, *The Economics of Peace-making*.

The lack of development in trading relations has led to a

growing distrust in Israel of Egypt's commitment to peace. This does not surprise Prof. Hirsch, who is professor of International Trade at Tel Aviv University. "If economic relations are not handled properly they can actually destabilise peace, even though that is not the intention."

Prof. Hirsch, whose book uses the Egypt-Israel situation to illustrate his much broader study, believes that "if you give economic relations the right weight in your political thinking, you can use them to stabilise peace and to achieve political goals. It is for this reason that you must plan economic relations and even individual transactions to enhance peace."

Noting that "the whole world is infatuated with the Arab-Israeli conflict because of the importance of the Middle East as a source of raw materials," he points out that in fact "there is nothing which can

be remotely regarded as economic" lying at the root of the Arab-Israeli conflict. But economic ties can enhance the peace-making process. In his opinion, if Israel had insisted on a barter deal

The lack of trade development has led to a growing distrust in Israel of Egypt's commitment to peace

for the Egyptian oil "and I think the Egyptians would have accepted that," then in that case "we would have a trade of \$1bn by now."

The talk of a Middle East economic community, fashionable at the time of the peace treaty, is dismissed as unrealistic by Prof. Hirsch. Even if the Palestinian problem is resolved and there is peace in

the region it would still be many years before such an arrangement could be possible.

The book's authors believe Israel could be exporting meat, wood products, transport equipment, machinery, plastic materials and organic chemicals to Egypt.

In practice the largest single item of exports to Egypt in 1982 was animal feeds, to the value of \$15m. Day-old chicks, hatching eggs and other poultry items accounted for another \$7m.

Egyptian exports to Israel, apart from oil, are insignificant, not even reaching the \$1m figure last year. This despite the book's estimate that Egypt could be selling Israel fish, sugar, clothing, cotton and textile fibres.

Despite the potential, trade has failed to develop mainly for political reasons, and Prof. Hirsch sees this as the result of the "dissonance between the

Israeli and the Egyptian perceptions of the peace agreement.

"From our point of view peace meant giving up territory, giving up our strategic assets. We want to replace these assets by real content, trade and normal relations," he notes. "The Egyptians took the opposite view. They say they got back Sinai which is theirs and gave Israel the one thing it really wanted, which was recognition."

In return for that recognition, Egypt remands progress on the Palestinian issue. As long as Israel does not give that, then Egypt will not give Israel the contents of the peace pact in the form of developing the trade links which Prof. Hirsch believes could enhance the peace process.

The Economics of Peace-making, by Ruth Arad, Seev Hirsch and Alfred Toorab. Published for the Trade Policy Research Centre, London, by Macmillan, 1983.

Irish find a ready market in Iran

By Brendan Keenan in Dublin

IRISH EXPORTS to Iran have bounced back after being almost wiped out during the political disturbances of 1979-81. They are expected to top £40m (£31.6m) this year, which is more than the levels of the late 1970s.

The Irish decided to re-enter the Iranian market in 1982, when 20 Irish companies exhibited at a Tehran trade fair. This was followed by a visit from the Irish Agriculture Minister. The results exceeded most expectations. Exports subsequently boomed from only £14.3m to this year's tenfold increase. Officials of the Irish Export Board, CTT, believe the results can be sustained and that there is room for expansion.

The main exports this year have been commodities, principally beef and butter, but the figures were boosted by the sale of £14m worth of refrigeration equipment. CTT believes that food sales can increase still further above this year's level. Iran's difficulties have meant that it has not been able to resume its traditional sales to Ireland, which were principally oil. In 1980, Irish imports from Iran were almost £140m, leaving Ireland with a £127m trade deficit. This year Iran's sales to Ireland are expected to be worth just £157,000.

Ireland's neutral politics have helped her maintain steady sales to both Iran and Iraq, despite the Gulf War. Salesmen do tread carefully at times, however. It seems that the dead IRA hunger-striker, Bobby Sands, is something of a hero in revolutionary Iran and his name is often mentioned in glowing terms. CTT officials, who have a fair idea of what the Irish Government thinks of Mr Sands, just smile bravely and think of the balance of payments.

China to buy Grundig TV kits

By John Davies in Frankfurt

GRUNDIG, the West German consumer electronics concern, has won a contract to supply the basic kits for 40,000 colour television sets to China by May next year.

The Chinese will manufacture the cabinets for the TV sets and carry out the final assembly work.

The deal is relatively small—worth something over DM 18m (£4.56m)—but Grundig said yesterday that it attached considerable importance to it.

This is the first time that Grundig has reached an agreement with the Chinese for assembly equipment. The company was convinced it was laying the foundation for constructive co-operation with the Chinese.

Port of Hamburg suffers sharp fall in shipments

By LESLIE COLT IN BERLIN

THE PORT of Hamburg has experienced its most difficult year since the early post-war period. Transshipments fell 18 per cent to an estimated 51m tonnes this year, which was the level in 1973.

The worst losses have been in bulk shipments, which fell 28 per cent to 31.2m tonnes. The president of the shipping company in the port, Herr Helmut Kern, said there had been a considerable fall in profits, which meant a number of companies would end up in the red.

Grain, fodder and oil-seed imports fell 34 per cent to 7.9m tonnes. Reduced purchases by

the Soviet Union of U.S. grain, as well as the loss of an oil-seed mill in the port and high prices for fodder, were all negative factors.

Liquid shipments fell 29 per cent to 14.1m tonnes, largely as a result of a two-thirds reduction in crude oil deliveries. The prime reason was the continued drop in oil consumption, along with the new Wilhelmshaven-Hamburg pipeline, permitting refineries to be directly supplied from tankers.

Ore and coal imports fell 21 per cent to 9.2m tonnes, as a result of the depressed state of the European steel industry, which meant one-third less iron ore was imported.

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John-Jaworski, Group Marketing Manager
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Telex: Alacra G 823433 Tel: 01-200 7070



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Arbuthnot Latham	9 1/2 %
Armed Trust Ltd.	9 1/2 %
Associates Cap. Corp.	9 1/2 %
Banco de Bilbao	9 1/2 %
Bank Hapoalim Bk.	9 1/2 %
BCCI	9 1/2 %
Bank of Montreal	9 1/2 %
Bank Leumi (UK) plc	9 1/2 %
Bank of Cyprus	9 1/2 %
Bank of Scotland	9 1/2 %
Banque Belge Ltd.	9 1/2 %
Banque du Rhone	9 1/2 %
Barclays Bank	9 1/2 %
Benedictine Trust Ltd.	9 1/2 %
Benson Holdings	9 1/2 %
Brit. Bank of N. East	9 1/2 %
Brown Shipley	9 1/2 %
CL Bank Nederland	9 1/2 %
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Castle Court Trust Ltd.	9 1/2 %
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Cedar Holdings	9 1/2 %
Charterhouse Japhet	9 1/2 %
Chubb & Sons	9 1/2 %
Chubb & Sons	9 1/2 %
Clydesdale Bank	9 1/2 %
C. E. Costes	9 1/2 %
Comm. Bk. of N. East	9 1/2 %
Consolidated Credits	9 1/2 %
The Cyprus Popular Bk.	9 1/2 %
Dunbar & Co. Ltd.	9 1/2 %
Duncan Leysie	9 1/2 %
E. T. Trust	9 1/2 %
Exeter Trust Ltd.	9 1/2 %
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First Nat. Secs. Ltd.	9 1/2 %
Robert Fraser	9 1/2 %
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Guinness Mahon	9 1/2 %
Hambros Bank	9 1/2 %
Heritable & Gen. Trust	9 1/2 %
Hill Samuel	9 1/2 %
C. Hoare & Co.	9 1/2 %
Hongkong & Shanghai	9 1/2 %
Kingsnorth Trust Ltd.	9 1/2 %
Knowles & Co. Ltd.	9 1/2 %
Lloyds Bank	9 1/2 %
Mallinbank Limited	9 1/2 %
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Midland Bank	9 1/2 %
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National Giro Bank	9 1/2 %
National Westminster	9 1/2 %
Norwich Gen. Trst.	9 1/2 %
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COMPANY NOTICES

TRAFALGAR FUND
 SOCIETY ANONYMOUS INVESTMENT
 Registered Office
 LUXEMBOURG, 14, rue d'Alger
 Section 8 No. 552
 The Extraordinary General Meeting of shareholders of the company held on December 7th, 1983, approved a resolution to increase the share capital by creating 100,000 new shares of 100,000 francs each, to be paid in 10 instalments of 10,000 francs each, the first instalment of 10,000 francs being payable on the date of the meeting. The company is authorised to issue up to 100,000 new shares of 100,000 francs each, the first instalment of 10,000 francs being payable on the date of the meeting. The company is authorised to issue up to 100,000 new shares of 100,000 francs each, the first instalment of 10,000 francs being payable on the date of the meeting.

JAPANESE GOVERNMENT
 6% STERLING LOAN 1983-88
 The Bank of Tokyo Ltd. are instructed by the Japanese Government to issue the COUPONS due 31st December 1983. No. 40 will be paid on and after 3rd January 1984.
 The coupons should be presented for payment at the Bank of Tokyo Ltd. 100, Cannon Street, London EC4A 3DF. They must be presented at least 10 days before the date of payment. Coupons cannot be accepted through the post.
 For the Bank of Tokyo Ltd.
 Resident Managing Director
 for Europe and General Manager
 15th December 1983.

CAISSE CENTRALE DE COOPERATION ECONOMIQUE
 Bond issue of US\$100,000,000
 Floating Rate Notes 1987/2002
 The rate of interest applicable to the interest period from December 14 1983 up to March 14 1984 as determined by the reference agent is 10 1/8 per cent per annum, namely US\$267.00 per note of US\$100,000.
 J. A. DEVENISH INC.
 NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS RELATIVE to the Company's Ordinary Shares will be closed from 15th January 1984 to the 31st January 1984 (both dates inclusive) for the registration of transfers payable on 31st January 1984.
 By Order of J. A. DEVENISH INC.
 15th December 1983.

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 J. D. SMITH

CANADIAN PACIFIC LIMITED
 (Incorporated in Canada)
 DIVIDEND NOTICE
 At a Meeting of the Board of Directors held today, the following dividends were declared:
 A final quarterly dividend of thirty cents (30¢) per share on the outstanding Ordinary Capital Stock in respect of the year 1983, payable in Canadian funds on January 30, 1984, to shareholders of record as at the close of business December 28, 1983.
 A final semi-annual dividend of twenty-five cents (25¢) per share on the outstanding Preferred Capital Stock, Redeemable Preferred, Series A, payable in Canadian funds on January 28, 1984, to shareholders of record as at the close of business December 28, 1983.
 A final semi-annual dividend of two per cent (2%) on the outstanding 4% Preference Stock in respect of the year 1983, payable on January 28, 1984, to shareholders of record as at the close of business December 28, 1983.
 By Order of the Board,
 Vice-President and Secretary,
 Montreal, December 12, 1983.

CANADIAN PACIFIC ENTERPRISES LIMITED
 COMMON SHARE DIVIDEND NOTICE
 The Board of Directors of Canadian Pacific Enterprises Limited, at a meeting held today, December 12, 1983, resolved to pay a final quarterly dividend of twenty cents (20¢) Canadian per share on the outstanding Common Shares of the Corporation and the same is to be paid on January 30, 1984, to shareholders of record as at the close of business on December 28, 1983.
 By Order of the Board,
 Vice-President Administration and Secretary,
 Calgary, Alberta, December 2, 1983.

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 LE FEVRE GALLERY, 30, Bruton Street, W1, 01-493 1275. Important 21st Century Works of Art. Monday-Friday 10-5; Saturday 10-12.30.
 MACKINNON & STRACHAN, 17, Savile Row, W1, 01-5811. Exhibition of 19th century English and French Water-colours. Mon-Fri 10-5.30.
 COLETT GILBERT GALLERY, 5, Cork St., London W1, 01-493 1275. Important 21st Century Works of Art. Monday-Friday 10-5.30; Saturday 10-12.30.
 RICHARD GREEN, 1, New Bond St., W1, 01-493 1275. Exhibition of 19th century English and French Water-colours. Mon-Fri 10-5.30.
 RICHARD GREEN, 1, New Bond St., W1, 01-493 1275. Exhibition of 19th century English and French Water-colours. Mon-Fri 10-5.30; Saturday 10-12.30.

Unisat insists on cash guarantees for satellites

BY RAYMOND SNOODY

UNISAT, the consortium building three direct broadcast satellites (DBS) for the BBC, warned the Government yesterday that work on the project would stop in early January without financial guarantees.

The warning came on the eve of a meeting of the BBC Board of Governors today which is expected to decide if it can go ahead with the £350m project at present.

The chairman of the three consortium members, British Aerospace, British Telecom and GEC Marconi told ministers yesterday that such a decision would lead to redundancies and redeployments among the 600-800 people involved in production of the three satellite system in the UK and abroad.

The consortium has already spent or committed about £50m over the past 18 months, although the BBC has only signed heads of agreement. Unisat made it clear to Mr Norman Tebbit, Trade and Industry Secretary, and Mr Leon Brittan, the Home Secretary that the consortium could no longer sustain costs which would rise sharply in the new year.

A further down payment of £2.5m towards the £20m to £25m launch costs on Space Shuttle or Ariane is already overdue and unlikely to be made without financial commitments that the money will not be lost.

Members of the consortium, it is believed, received no assurances from the Government yesterday.

despite the fact that the Department of Industry was heavily involved in putting the Unisat consortium together.

The Government did, however, promise its "good offices" in trying to find a suitable partner for the BBC to cut the cost and the risk. The most often mentioned partner is either the Independent Broadcasting Authority for a collection of major ITV companies. The central dilemma, to which there was no obvious answer in Whitehall last night, was how to bridge the financial gap for Unisat until such a partnership could be created.

Some Whitehall sources emphasised last night that although Britain's DBS policy appeared to be on the brink of collapse they were still optimistic that some way could be found to keep it on track.

In other areas of Whitehall, however, there was irritation with the BBC and a determination that if it decided not to go ahead with Unisat "they would not be allowed to go ahead at a later date with anyone else".

The Government would clearly prefer the BBC to postpone a final decision today to leave greater flexibility to try to find a solution. It became increasingly clear yesterday that whatever happens, a scheduled launch of DBS services in the UK in autumn 1986 is now at most impossible.

Council grant set at £11.9bn

BY ROBIN PAULEY

THE GOVERNMENT will distribute £11.9bn in grant to English local authorities in 1984-85, £90m or 0.7 per cent more than in the current year. This was announced yesterday by Mr Patrick Jenkin, Environment Secretary.

His statement of the level of rate support grant — the amount of money paid by Government to local authorities to fund a proportion of their spending — contained no surprises. It allows a maximum 3 per cent cash increase for low spending councils and sets a target of 6 per cent cash cuts for the highest spenders.

The announcement brought unanimous predictions from both Conservative and Labour local authority associations that it would lead next spring to very high increases in rates — the taxes on business and domestic properties by which councils fund the rest of their spending.

The rate support grant will represent 51.9 per cent of total current expenditure qualifying for grant, compared with 52.8 per cent in 1983-84.

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UK NEWS

French groups join consortium in bid for Channel Euroroute

BY PETER BRUCE

TWO MAJOR French industrial groups yesterday joined forces with the British consortium which for the past two years has been trying to persuade the UK and French Governments to build a combined road and rail link across the Channel.

The state-owned Alsthom-Atlantique and Grands Travaux de Marseille from the private sector announced in London that they were forming a joint company to promote the Euroroute bridge and tunnel crossing in France.

Until now, the UK consortium — British Shipbuilders, British Steel, Trafalgar House, John Howard, Fairclough International and Raymond International of the U.S. — have been lobbying on both sides of the Channel.

Alsthom-Atlantique, a subsidiary of Compagnie Générale d'Electricite, is best known for its heavy and electrical engineering operations, including shipbuilding and locomotives. Grands Travaux, a construction group, built the Pompidou exhibition centre in Paris and was involved in the construction of the Cahora Bassa dam in Mozambique.

Despite the optimism of the Euroroute partners, the scheme's main competition, an underground twin rail tunnel being proposed by Wimpey and Tarmac of the UK, is understood to have received the backing of an important, though unofficial, report now with the two governments. The report, compiled by a group of five British and French banks, argues that the rail-only tunnel would be easier to finance privately.

The report may be published early in the new year. In June 1982 a joint technical study commissioned by the two governments backed a similar proposal, emphasising, however, that construction would be "subject to the ability of the market to raise finance on terms acceptable to the two governments."

Euroroute claims that its proposals, which involve resting a 19km steel tunnel on the seabed between offshore islands linked to the mainland by bridge, would create some 50,000 jobs on the British half of the contract. At mid 1980 costs of £3.8m (more than £4bn at current costs), Euroroute believes loans raised in the markets could be repaid by 2009 at a 4 per cent real rate of interest.

BA signs \$200m lease deal

By Michael Domes, Aerospace Correspondent

BRITISH AIRWAYS (BA) yesterday signed with a group of banks led by Chemical Bank of the U.S., and Boeing Commercial Airplane Company, the \$200m leasing deal on a fleet of 14 Boeing 737-200 twin-engine jet airliners.

The aircraft will be bought from Boeing by the group of banks, which will then lease them to BA for short periods of from one to three years. First deliveries to BA will be made in late 1984, and through 1985. The airline has also taken an option on a further 17 Boeing 737-200s.

The jets are needed to replace BA's ageing fleet of 34 Tridents, which need to be phased out by the end of 1985 because of new UK and European governmental noise regulations that become effective on January 1, 1986.

The decision to lease the new jets rather than buy them was taken by BA so as to keep its balance sheet free of further debt in the run-up to eventual privatisation in early 1985.

The move also means that BA can keep its options open on the possible purchase of new, bigger jets, such as European Airbus A-320s or other types of 150-seat aircraft before the end of this decade.

Monopolies bar on £56m casino merger

BY RAY MAUGHAN

A £56m merger between Pleasurama and Trident Television, two leading casino groups, has been blocked by the Monopolies and Mergers Commission.

The Commission's verdict, backed by Mr Norman Tebbit, the Minister for Trade and Industry, was heavily influenced by the presence of Grand Metropolitan, the brewing, tobacco and leisure group which holds a 29 per cent stake in Pleasurama and a "position approaching dominance of the London casino market," according to the commission.

The proposed merger was first outlined at the end of last March and has recently been succeeded by the spectacular entry of the Aspinall casino group to the Unlisted Securities Market in an issue which attracted subscribers for shares worth more than £500m.

Trident is one of the major casino operators in London with four clubs — the Victoria, Clermont, Connors and Village. Meanwhile, Pleasurama's links with Grand Metropolitan extend beyond share ownership into a joint venture in the Ritz and Casanova Casinos which are managed by Grand Metropolitan's Mecca Sportsman subsidiary.

The Commission concluded that the acquisition of Trident by Pleasurama would, in fact, result in a merger between Grand Metropolitan and Trident. While Grand Metropolitan's stake in Pleasurama would be reduced to about 20 per cent after the merger with Trident, the commission found that Grand Metropolitan "would still be able to exercise material influence over Pleasurama's decisions" as a result of the fragmented nature of other shareholdings and its sway over Pleasurama which stems from the joint casino ownership.

The recommendation of the merger authorities appears to have been expected by the three casino companies. Mr G. E. Ward Thomas, chairman of Trident, said yesterday: "The finding comes as no surprise and we have not been standing still over the last six months."

Grand Metropolitan, too, had anticipated that the merger would operate against the public interest. Its solution was to unravel the joint venture with Pleasurama in the Casanova and Ritz casinos which it believed "was not in the best interests of the gaming industry."

Talks aimed at terminating the joint venture, however, had already foundered and Pleasurama was left with the understanding that Grand Metropolitan would vote against the merger with Trident.

Posgate's suspension renewed by Lloyd's

By John Moore, City Correspondent

THE RULING authorities of the Lloyd's insurance market have suspended Mr Ian Posgate, the former leading underwriter of Alexander Howden and a member of Lloyd's council, from working in the market for six months.

Mr Posgate has been suspended from the market this year after allegations against him and four other former executives by Alexander & Alexander Services, Howden's U.S. owners, that they had misappropriated \$53m of funds from Lloyd's insurance syndicates under Howden's management and other Howden insurance interests.

Yesterday's suspension announcement by a sub-committee of the council of Lloyd's is a renewal of a suspension notice made six months ago. It will become effective from December 28 when the existing notice expires.

Lloyd's said that on December 1 the sub-committee notified Mr Posgate it was considering issuing a further suspension direction and told him that he had the right to make representations. Written representations were made by Mr Posgate's solicitors.

The investigations committee, Lloyd's said, is considering the first part of a report by a Lloyd's committee of inquiry into the affairs of Alexander Howden companies and Posgate & Denby (Agencies), Mr Posgate's own Lloyd's underwriting agency.

The report has reviewed the activities of Mr Posgate and the four other former Howden executives — Mr Kenneth Groh, Mr Allan Page, Mr Jack Carpenter, and Mr Ronald Comery. There is argument among members of the investigation committee and the ruling authorities over whether or not the report should be issued to about 3,000 Lloyd's members who formed the syndicates under the management of Howden and Posgate & Denby.

Those opposed to releasing the report argue that the members do not need copies since the funds alleged to have been misappropriated have been returned to their interests.

Posgate & Denby is planning to call an extraordinary general meeting of its shareholders in an effort to remove Mr Posgate from the agency.

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UK NEWS

Average pay rises 7.75% as economic activity increases

BY PHILIP STEPHENS

BRITAIN'S wage-earners are still keeping well ahead of inflation, with incomes boosted by the continuing pick-up in economic activity, the Government said yesterday.

Figures released by the Department of Employment showed that average earnings rose 7.75 per cent in the year to October, unchanged from the previous two months.

Earnings in the production industries, which include energy, water supply and manufacturing, climbed even faster to register a 9.25 per cent annual increase in October compared with 9.0 per cent the previous month.

Officials said the key to the higher earnings was a sharp increase in overtime working and a drop in the amount of short-time work, both attributable to economic recovery.

Longer working hours boosted earnings by 0.75 per cent in the economy as a whole over the year to October, while the impact on manufacturing industry was between 1.0 and 1.25 per cent.

Overtime in manufacturing industry averaged 11.7m hours a week, up from just under 11m in September, to reach the highest level since June 1980.

At the same time, hours lost during the month due to short-time working fell to 458,000, the lowest since September 1979.

The rise of nearly 8 per cent in average earnings over the last few months contrasts with October figures showing the consumer price index rising by 5 per cent and the tax and price index (TPI) by 4 per cent.

If the TPI is taken as the best guide to actual income, workers are keeping nearly 4 per cent ahead of inflation.

The Department officials stressed that the earnings statistics did not reflect high settlements in the present pay round. On the contrary, an expected lower level of awards would not begin to feed through until the spring.

Wages and salaries per unit of output also rose, registering a 4.2 per cent rise in the three months to October compared to the same 1982 period, and against a 3-6 per cent rise in three months to September.

The earnings figures are adjusted to allow for temporary factors such as back pay and the timing of pay settlements. On an unadjusted basis, the increase in the year to October was 8.7 per cent compared to 8.5 per cent in September.

Venture started in artificial intelligence

BY PETER MARSH

RANK XEROX and three of its former employees have set up a new venture in artificial intelligence, the discipline in which computers take on limited reasoning powers.

The office-equipment company has a 25 per cent stake in Artificial Intelligence. This will sell the software tools to make computers which have general knowledge.

Among the systems that will be made possible are computers that analyse faults in electronic components or which calculate how to heat or ventilate buildings. Machines which work according to the new techniques could also help geologists to pinpoint oil wells from survey data.

Artificial Intelligence, based in Watford, Hertfordshire, will sell

computers programmed with a language called Interlist-D. This was developed at the research centre in California of Rank Xerox.

Mr David Butler, chairman and managing director of Artificial Intelligence, said yesterday that he hoped to sell 15 of the computers next year at £23,000 each.

The company has sold one machine to STL, the research arm of STC, the telecommunications company. Technicians will program in to the equipment the general principles that determine whether electronic components contain faults. Other workers will then interrogate the system to determine whether items emerging from a factory production line are defective.

Shipyard criticised

BY MARK MEHEDITH, SCOTTISH CORRESPONDENT

MR NORMAN TEBBIT, the Trade and Industry Secretary, yesterday criticised the performance of both management and workers at the threatened Scott Lithgow shipyard on the lower Clyde, West Scotland.

"We have put over £140m into subsidising the losses made at Scott Lithgow recently and we still seem to have very great difficulties in persuading the workforce to get an oil rig out on time," he said.

This was not the fault of regional policy, he added, but the fault of

management and men at Scott Lithgow.

Mr Tebbit's words underlined the Government's refusal to step in to save the yard, which will almost certainly close if Britoil cancels a £85m order for a drilling rig which is effectively two years behind schedule.

The Scottish Office is looking at ways to restructure the yard. Britoil is expected in the next few days to announce the cancellation of its contract.



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FORENAMES: (in full)

DATE OF BIRTH: DATE MONTH YEAR
(Essential for children under 7 years)

ADDRESS:
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AMOUNT DEPOSITED: POUNDS PENCE

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TECHNOLOGY

EDITED BY ALAN CANE

U.S. TRIALS OF SOLAR POWER USING A MOLTEN HEAT STORE THAT COULD BE USED IN BRITAIN

Salt tower heat trap finds favour

BY PAUL WALTON

A BATH of molten salt soaking up the energy equivalent of the radiation from a quarter of a million suns might power commercial electricity generating stations by the turn of the century. And it may even be possible to use the technology in the cold and wet British climate.

The first "warm" trials have just begun in the New Mexico desert in America using molten salt to collect and store the sun's rays. It is hoped this work will lead to solar power being economic even in temperate climates.

Molten salt collects the heat focussed on it by a field of reflectors, or heliostats, in an opaque bath at the top of a 200 feet high tower. The circulating liquid is used to produce steam which drives turbo-electric generators.

Dr John Holmes, site project manager on the Molten Salt Electric Experiment (or MSEE) at the Sandia National Laboratories, described it as "the best favourite in America at the moment, at least among those of us who have a view to the commercial exploitation of solar

power anywhere else in the world."

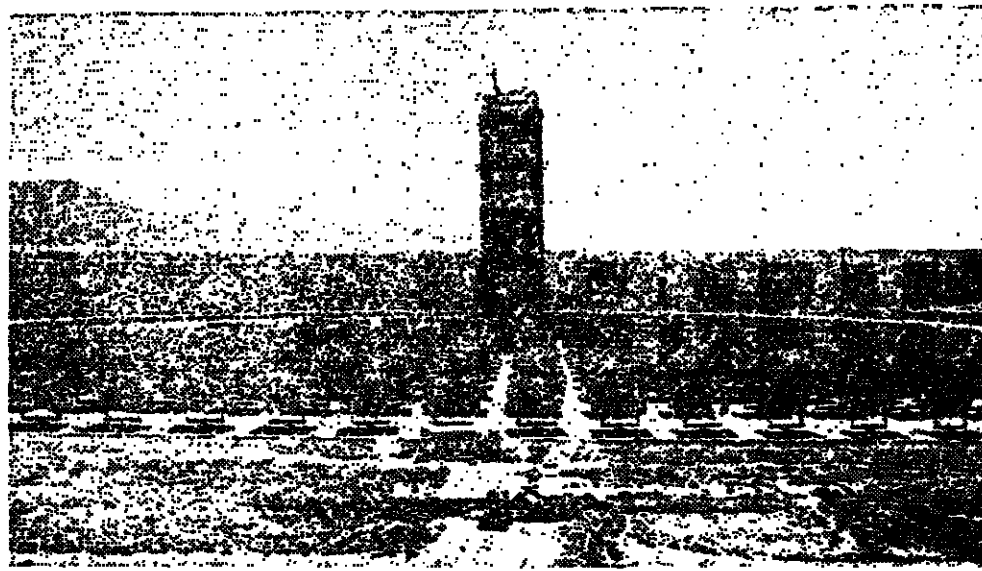
The American Government paid half of the \$8m which it cost to set up the first MSEE. The solar power industry, including firms committed to its commercial success like Babcock

It is hoped this work will lead to solar power being economic even in temperate climates.

& Wilcox, Pacific Gas and Electric, McDonnell Douglas, and Martin Marietta provided the rest.

The small scale pilot will generate 750,000 watts of electricity—the energy concentration of some 250 suns—and supply 250 homes for one-quarter of the year. Dr Holmes hopes that, if successful, it will be the starting point for the first "cold climate" solar power station.

He said: "The MSEE is the world's first totally integrated operational solar power station using molten salt. It will give



The bath of molten salt is perched on a 200 ft tower

American firms the opportunity to test out how these things are really going to work."

Dr Holmes added that the MSEE ultimately wants to scale up this first solar tower over

a hundred fold. He claimed that it would be possible to generate 100m watts by multiplying the effectiveness of the heliostats and then scaling up the molten salt receiver.

He said that the use of molten salt is much easier and cheaper to work with than steam, despite the fact that it reaches temperatures of over a 1,000 degrees Fahrenheit.

Molten salt retains its heat energy for much longer periods than steam: the MSEE pilot uses a cheap and commonly available salt mixture.

Solar energy picked up in the opaque receiver, or "bath," at the top of the tower has the

Molten salt retains its energy for much longer periods than steam.

advantage that it can be stored for long periods. The freshly heated molten salt is stored in reservoirs at the foot of the tower, to be used when none is directly available to power the generators.

The more usual water receivers create immense pressures of steam, which Dr Holmes said had proved difficult to control. Solar power stations which collect energy using water have tended to be prohibitively expensive to build, he said, "because of the cost of controlling all that high pressure steam."

"And when the sun disappears, your conventional

solar power station grinds to a halt," added Dr Holmes.

While the first MSEE pilot also cost a great deal to construct, it is a technology which other countries are beginning to follow. A molten salt tower called THEMIS is about to undergo trials in the south of France early in 1984, generating a million watts of electricity.

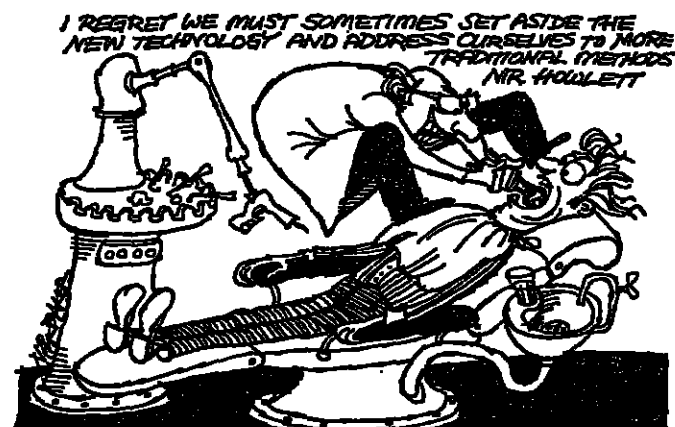
He said that investing the large sums needed to build solar power stations, using either molten salt or another liquid metal as the receiver, will soon begin to look economical if world energy prices continue to escalate.

The MSEE project will produce electricity which will be four times the price of conventional energy from coal-fired or nuclear power stations: it works out at 40 cents per kilowatt hour.

As the capital costs of the solar towers are paid off and the price of energy rises, Dr Holmes believes that MSEE could become economical "within ten years, even if the sun doesn't stay out for all that time."

DENTISTRY

Two-part pin secures fillings



BERT HINKS had an idea to design a better way of holding fillings in teeth with a special pin. Within five months a new company, Precision Dental Products, was set up in Wales to mass produce them. There is also a large export potential.

Dentists use retention pins to form an anchorage for fillings that would otherwise be difficult to cement into the tooth. Once the decay has been cleared away, a small hole is drilled in the tooth and the drill head inserts one or more retention pins, which have a self tapping thread.

Mr Hinks inventor of the Securipin, devised a two part pin—where the pin unscrews from the shank—which can be made in materials such as stainless steel, gold, titanium or silver.

The advantage of the two part pin, says Precision Dental Products, is that it is quicker to insert, and is not liable to bend or snap as easily as conventional pins.

According to Mr Ian Whitfield, vice chairman of the new company, there is worldwide interest in the new pin. Each year more than 150m fillings are carried out in the U.S. Potentially 40 per cent of these could use pins. This compares with 33m fillings in the UK.

The company is now making 34,000 pins a month at its new factory in Llandrindod Well, Powis. Mr Whitfield hopes to have a workforce of 20 by the end of the year. Precision Dental Products has £100,000 paid up capital.

ELAINE WILLIAMS

COMPUTER EQUIPMENT

Uncertain future forecast for industry

BY ALAN CANE

THE FUTURE of the mini-computer industry has been uncertain for some time now as spending on data processing equipment has become increasingly polarised towards mainframe computers and micro-computers.

This trend is further underlined by a new report from the consultancy IDC Europe* which suggests that between 1982 and 1988, spending on systems costing U.S.\$151,000-U.S.\$250,000—typical of the larger mini and supermini families of machines—will grow by only 10 per cent a year.

Spending on mainframes costing over U.S.\$500,000 is set to grow by 15 per cent annually over the same period while

spent by data processing departments. The remaining \$7.3bn was spent by end user (customer) departments with \$5.1bn going on software and services and \$2.2bn on hardware.

It goes on to show that there will be substantial differences in growth rates between various categories in the software and services markets. Packaged software—designed for a specific function and run on the computer without modification—from hardware and from independent vendors is expected to grow at 30 per cent a year while processing services are expected to grow at only half that rate.

*These differences in growth

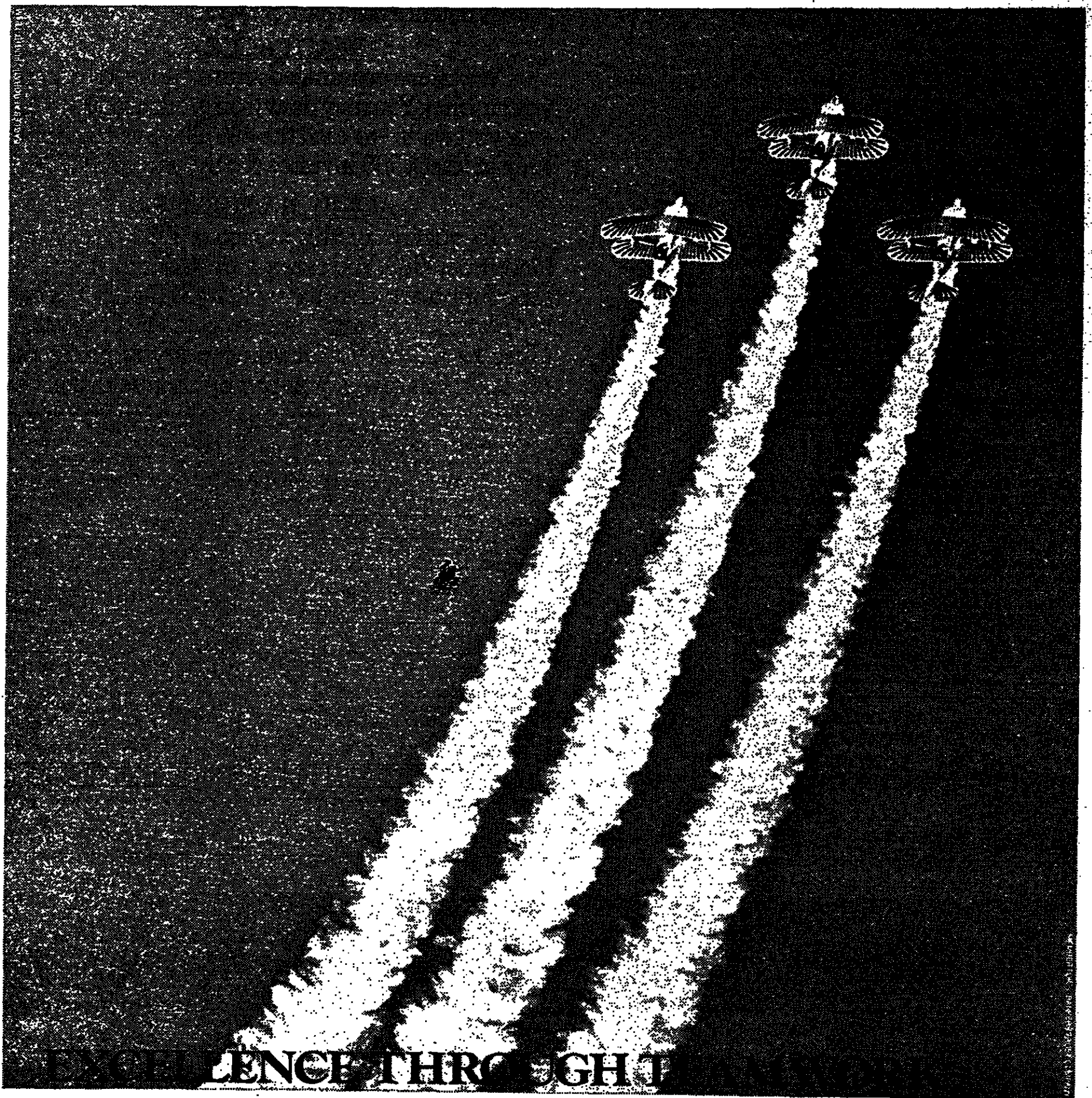
There will be substantial differences in growth rates between various categories in the software and services market

microcomputer systems costing less than \$15,000 and which can be used simultaneously by several users will be growing at 33 per cent a year.

According to IDC Europe, this polarisation reflects the trend towards distributed data processing in larger companies and growing acceptance of dedicated microcomputer systems in smaller companies: "a growth in smaller systems in end user departments and smaller companies and a growth in larger systems to support some of the end user functions in a distributed/office automation environment."

The report shows that U.S.\$57.7bn was spent on data processing in western Europe in 1982 of which \$50.4bn was

* DP Market Forecasts and Spending Patterns, Western Europe 1982-1988. IDC Europe, 01-995 9222, £1,600 (£480 for UK data only).



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For more information, contact Valerie Belfer (M20/FT3) British Olivetti Limited, Olivetti House, Upper Richmond Road, London SW15 2UR. Telephone 01-785 6666.
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JOBS COLUMN

Product champions • Finance folk • Sales, etc

BY MICHAEL DIXON

DID YOU KNOW that if you are in the United States, and happen to be so inclined, you can call a certain telephone number and get told a dirty story? I didn't until I was told as much the other day by John Short, general manager of the Spectrum division of British Telecommunications.

He was citing that sordid U.S. facility as an example of the sort of service which Spectrum will definitely not provide in its effort to boost usage of the British telecommunications network. Even the Talkabout service under trial in Bristol (number 02210221) which enables callers to join in discussions with others, likewise waiting a chat over the blower, is supervised by "conversation leaders" who cut off any contributor who becomes unduly offensive.

Such things apart, however, Spectrum is keen to consider backing any telephone-based service that people are likely to want enough to provide BT with profits. A further example is the electronic mail system, started in Britain about 18 months ago, through which the 4,000 or so subscribers can leave and pick up messages for one another by telephone from anywhere in the world. And there are numerous other projects impending.

What Spectrum lacks, Dr Short said, is not so much promising ideas as people able to take one of them up and turn

it into a practical and profitable service—product champions—is his name for them. So he is hoping that a few of same are to be found among the Jobs Column's readers.

"I've a feeling that there must be people, working in big corporations perhaps, who are entrepreneurial in the sense that they'd like to develop and run their own show even though it might not make them personally a lot of money," he added.

"They'd need commercial vision, ability to negotiate persuasively not least with senior management in British Telecommunications, and some experience in managing a business operation. But that's about as specific as I can be."

Provided candidates convince him that they fill the bill Spectrum will pay, within reason, the starting salary needed to get them. A range from about £12,000 to more than twice as much is currently in mind.

Inquiries to Dr Short at Room 524 Seal House, 1 Swan Lane, London EC4R 3TH; telephone 01-357 5121, telex 883055.

Kuwait

RECRUITER Nigel Lilley of CKL Management Services is offering a job in Kuwait with the building-products subsidiary of a big group with a diversity of manufacturing and trading interests. The subsidiary, which operates throughout the Middle

East, wants someone who although no older than 35 has enough financial management experience to start as its financial controller and earn promotion to the equivalent post at group level within the next three years.

Salary around \$80,000-£65,000 tax-free, plus housing, car and other expatriate perks. Kuwait is "only slightly less socially liberal than other Gulf states," Mr Lilley says, "and the educational facilities for children are excellent."

Inquiries to him at 7 Cork St, London W1X 1PB; tel 01-734 1843, telex 261507 Monref G, ref 2430CKL.

Accountants

WHILE we're outside the United Kingdom we might as well deal with an opening in Tanzania which is one of two posts with a British construction group being offered through John Steeds of Mervyn Hughes Alexander Tie (International).

Like Nigel Lilley, and indeed all headhunters cited in this column who may not name their clients, Mr Steeds promises to abide by any applicant's request not to be named to the employer without specific permission.

The Tanzanian job is for a young qualified accountant with experience mainly on the cost and management side but able to handle financial accounting too. The recruit will be number

two to the financial manager of the group's construction company based in Dar es Salaam.

Salary about £17,000 subject to only a small local tax and perks include free accommodation for either a single person or a family with charges for electricity, water, telephone and so on paid by the company.

At the north London headquarters of the same group's main UK subsidiary there is a need for a qualified accountant with experience at managerial level in the construction industry. The newcomer will start as the subsidiary's financial controller and will be expected to earn a seat on its board within a fairly short period. Candidates familiar with computer systems would have an advantage.

Salary up to £18,000. Inquiries to John Steeds at 37 Golden Square, London W1R 4AN; tel 01-434 4091, telex 26131 Orsery G.

Start up

IF YOU are highly successful at selling high-technology products and keen to build up a business from scratch, then you might like to contact Ian Barr of Berry Wilson and Associates. He has been asked by two entrepreneurs—one Dutch, one British—to find the person they need to start and develop their new joint venture marketing high-tech office equipment.

The initial base will be about 30 miles west of London, but it could be changed.

Salary about £30,000 with company car among the perks. Inquiries to Mr Barr at 178 North Gower Street, London NW1 2NB; tel 01-358 7611.

Perverse

NOW, with deep regret since this is the last Jobs Column before the season of universal goodwill, to another example of the mind-boggling doings of this country's Department of Education and Science.

Its present Secretary of State, Sir Keith Joseph, seems more concerned than any of his predecessors to provide education which equips young people for the practical needs of life. And one of several other bodies which shares the same concern is the Education for Capability group, backed by numerous employers as well as academics, which is headquartered at the Royal Society for the Encouragement of Arts, Manufactures and Commerce.

Every year the group awards prizes to about a dozen initiatives in the educational field which it considers are successfully helping to equip children to live and work effectively in society. Of the dozen, two or three projects judged to be especially promising are given the extra honour of being invited to give a presentation at Education for Capability's annual symposium in London.

One of the three so chosen this year—and widely regarded as the best of them—was a programme developed by Thames Polytechnic to produce teachers for primary schools who are skilled in enabling young children to learn by solving practical problems.

Unlike the great bulk of teacher-training courses which take their students straight from previous stages of full-time academic education, the Thames Polytechnic initiative recruits a high proportion with experience of other kinds of work. Mike Bruce, head of the poly's teacher-training section, says that about 40 per cent of the students have not only worked in industry, commerce or the like but are old enough to have school-aged children of their own. Another 15 per cent, although younger, have also worked outside the education system.

So what would you think the Department of Education and Science is doing with the Thames Polytechnic programme? It is closing it down. That said, a happy Christmas and prosperous new year to everyone—including Sir Keith and his department provided they make a resolution to stop undoing with one hand the useful things they are trying to do with the other. All being well, the column will be back on January 5.

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THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

THE business giants are getting very chatty these days. Corporations seem keener than ever to speak their minds in public, exercising the company voice in newspapers and on television screens. Why do they bother? And what do they expect for their pains?

A look at a quartet of companies currently showing their corporate mettle, though for different reasons, suggests some of the answers.

The companies fall into two groups. On the one hand, with privatisation on the horizon, British Telecom is facing the inevitable and parading its assets as never before. In the wings British Airways awaits its turn — and in a fine piece of British Caledonian seizes the chance to beat its own drum.

On the other hand, IBM UK and Standard Telephones and Cables, both coping with the problems of famous American parents, face identity problems. The mighty IBM, not for the first time, is busy persuading us what a fine understanding local citizen it is — which few can dispute. STC, since leaving the ITT nest 18 months ago, is a born-again company with image to match, and needs to spread its gospel.

Just how far the privatisation factor weighs in the BT's current corporate campaign on television is a moot point. The corporation refuses to be drawn. Corporate campaigns, it says, are regular features every two or so years and this one was planned long ago. Yet it's the first time BT has slashed out on television — still the quickest way of reaching most people — and part of the campaign focuses on issues that happen to be at the centre of the privatisation debate.

Officially, BT is explaining its new burst, which ends this month, as the means to gaining favourable public opinion. "We are a business," Sir George Jefferson, the chairman, says, in a company leaflet. "We must pay our way and expand and increase jobs. We shall be helped in this by favourable public opinion, which advertising can help to secure." A bad press has not helped.

That bad press included a series of press ads placed over the last six months by the BT Unions Committee which put forward the anti-privatisation case. The ads suggest that self-off plans could lead to reduction of uneconomic services such as those to rural communities, public telephone boxes, and emergency services, as well as to price rises and foreign control of the network. In an action separate from its TV campaign, BT countered



The need to preach a corporate gospel

Feona McEwan assesses implications of four campaigns

what it calls "misleading information in the media" with a series of three public announcements starting in November. BT categorically refutes certain suggestions of cutbacks, foreign control and soaring domestic prices.

For its trouble, BT collected some 14 complaints, currently lodged with the Advertising Standards Authority, including one from the Unions Committee. The principal complaint, which the ASA says is a rare and tricky one, centres on the point that the current BT board is in no position to assume what any future board may do.

BT may be used to speaking with its corporate voice, but since it lost its monopoly on supplying equipment and networks two years ago, it has been exposed to the new world of competition and its voice has grown more insistent.

Research carried out monthly by BT showed that it faced something of a credibility gap. Most consumers regarded the corporation, says a spokesman, as a telephone service, no more. Its considerable technological achievements went unused. The current campaign set out to put this right and highlights BT's many facets. The centrepiece is the 60-second "Power behind

the button" commercial which shows the wide scope of BT's operations. This is backed up on a variety of ads focusing services.

"BT is using reactive advertising," says Anthony Wreford of McEwan Wreford, specialists in corporate communications. "It's a classic case of American-style issue advocacy having arrived in Britain. Before the Conservatives we had the opposite situation. The issue under a Labour Government was nationalisation and the banks and insurance companies then on the Government's shopping list laid their case in print."

Mike Cox, of Dorlands, BT's agency, says: "These days a company is often bigger than the products it markets. A company needs to have some standing in the eyes of consumers as a responsible, caring, and we hope, successful company."

The B. Cal case is a variation on the advocacy theme. "They are making hay on the back of BA," says Wreford. B. Cal sees BA's privatisation as simply changing a public monopoly into a private one so it has taken the initiative to safeguard its interests by placing full page ads in the press outlining an alternative plan. IBM's corporate advertising

stance is dictated by its status as a multinational. And a mighty one to boot. Nothing new in that perhaps, but identity is an issue that has preoccupied this American citizen — an old campaigner in ad terms — for a number of years.

Leader by a league in what is the fastest growing industry in the world (IBM's European data processing revenues — almost £10bn last year — equalled the combined turnover of its 10 closest competitors) IBM is at root American. Since it operates in nearly every country in the world, this point is not likely to be a savoury one to every government — in most cases IBM is the major supplier.

Since January 1981 member governments have been obliged by GATT and EEC rules to put out most major computer contracts to open tender but nationalised industries and local authorities do not have to do the same. France had had a buy-French policy for its state-owned institutions but has now relaxed it and IBM has benefited considerably.

In Europe generally, the issue of origin is particularly sensitive while the European Commission still has its competition case outstanding against IBM, which it has accused of abuse of

a dominant position. It is a case IBM cannot afford to lose. It is at pains therefore to ensure that its public image is as polished as possible. It wants to be perceived by the public, whether in Belgium, Germany, France or the UK as a friendly, caring company and, above all, a national asset. IBM has always been careful to promote itself through its country of operation.

The present press campaign — handled as it has been for five years by Saatchi and Saatchi, the agency used by the Conservative Party — presents IBM's Britishness in a clever new way. Under the banner "How British do you have to be to contribute to Britain?" it sketches in four ads the origins of famous commercial successes — American Gordon Selfridge, Frenchman Isambard Kingdom Brunel, Polish Michael Marks and Canadian Samuel Cunard. It is a percentage or contribution that counts, it asks, then lists its own assets (£119m investment in the UK in 1982, 11,000 British suppliers...).

IBM's messages have not changed much over the years. The issues have remained constant though the emphasis may have changed. Last year's effort (which included a picture of an IBM building with the caption "New Hampshire U.S.A.") attracted accusations of an attempt to deny its American parentage — something it made every effort to avoid in the present campaign.

The effects of corporate advertising, IBM knows well, are not permanent. "It's not a once and for all thing," says the spokesman. "The decay sets in so you have to refresh awareness from time to time with a short sharp reminder." IBM's budget on corporate advertising is one-tenth of its expenditure for personal computers.

Although ITT remains its major shareholder, STC, the international communications company, has become a brand new being. In the space of a year, it has acquired eight subsidiaries and turned in a record turnover of £1bn. To match its new direction, it is adopting a new corporate identity to be launched early next year.

"The current campaign is a curtain raiser," says public relations director, Peter Earl. Response to BA has been remarkable. Hundreds of readers have taken up the vaguely worded invitation included in the ad to write off for more information on how STC is "shaping the future". Most of them require individual replies, says Earl.

Hachette-Opera

A 'meeting point' in Paris

David Housego on a novel multi-store complex

THE FRENCH have been among the slowest in Europe to take on board the concept of information technology. Now, one of the country's best known publishers has unveiled ambitious plans to change all that with a novel "multi-store" complex right in the heart of Paris. The store, in the Place de l'Opera, will offer not only a comprehensive range of computer hardware and software and other electronic equipment, but also books, magazines and other reading material, together with two restaurants, will also be breaking new ground by being the first large Paris store (it will cover 6,000 square metres) to remain open from 10 am to 1.30 am seven days a week. It intends the store to be a meeting point and recreation centre, where people can gossip, see and test new products, discover new video releases, deepen their knowledge of computer technology and browse through books and magazines, as well as have a meal.

The company sees its "Hachette-Opera" as responding to the style of living of the 1980s and 1990s, more easy-going, and adventurous, mixing entertainment and knowledge in a type of Club Med atmosphere where agreeable surroundings and pleasant food are also available.

The video department, displaying some 3,000 titles, will include a video club and a specialist section for enthusiasts of the history of the cinema, of foreign films and of the works of key directors and stars. The press and periodical section — reflecting Hachette's strong stake in newspaper distribution in France — will carry the largest stock of domestic and international papers and magazines in Paris. The book store will carry a stock of 15,000 titles with the emphasis on general literature, books for the young, and tourist and practical guides to living.

The emphasis on the visual will be highlighted by the giant TV screen being constructed by Philips that will dominate the central covered piazza inside the store, and which will show a non-stop programme of news, publicity and film extracts. Push button, computer-controlled information panels will guide shoppers to the department they want.

Yves Sabouret, managing director of Hachette, describes the new store, which is to open in late January, as a "prototype". If it proves successful, he says, Hachette plans to open similar stores in major provincial cities and abroad in line with the company's increasing international diversification.

Sabouret says the store is seeking to attract those "with an interest in what is modern, in fashion and who have a reasonably high level of purchasing power." It will appeal to those aged 16-50, "adults, those who are internationally minded and professionals," he says.

Selection of programs

The intention is that each department will carry the full range of products available in France in its field. Thus 35 different models of computers will be sold in both the household and semi-professional category. This will be backed by what Hachette claims will be the largest selection of computer programs in France — about 1,000 titles — and specialist international books and periodicals.

Hachette believes it is striking the French market at the right time in that sales of computers and video equipment in France are well below that of the rest of Europe and particularly of Britain. As a result of the new government push for the information industry, sales of microcomputers are expected to explode over the next few years, rising by 30 per cent annually, according to one market survey. At the moment sales outlets are fragmented.

The new store is a 50/50 joint venture between Hachette and Euret, a subsidiary of Nestlé and the Compagnie Internationale des Wagon-Lits.

Hachette will have management control and has insisted on using its own name. It has invested FF20m (of which half was to buy its stake in the former Drugstore Opera that gives on to the Place) in the project, and Euret FF10m. Together they hope for a turnover of FF2120m (£10m) in the first year.

For Hachette, the new venture is also a "shop-window" in which to establish its new image as a multi-media group. The diversification began in 1980 when Matra, the French electronics and arms group, gained majority control. Matra was subsequently nationalised, but Hachette was spun off as a private group in which Marlis has 53 per cent. Marlis is a holding company in which Jean-Luc Legardere, chairman of Matra and Hachette, is a major shareholder.

Since taking over, the new management has been pushing Hachette into information technology and audio-visual products. It wants, says Sabouret, to add more "dynamism" to Hachette's rather "solid, scholarly" image. Market research surveys show that the name Hachette as publishers of school books and encyclopedias is known to an astonishing 94 per cent of Frenchmen.

Sabouret sees the new store as springing naturally out of Hachette's mainline interests. More than a fifth of the company's FF9bn turnover comes from retailing. It owns 900 sales points in France distributing books, magazines and periodicals from a network of shops on stations, metros, hotels and hospitals. It has recently purchased the Nugget chain of record and video shops which it plans to expand.

Sabouret does not believe that the new "Hachette-Opera" has any competitor in its field. Mancom, the French public relations consultant which is helping to launch it, is publicising the store as inaugurating a new generation of large shops. It plans to distinguish it from the popular American-style drug store that invaded France in the 1950s as well as from the more elitist and cultural FNACs of the late 1960s and 1970s which sprang up around the development of hi-fi and video equipment.

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Ask your New York Times representative for full details. But do so well before advertising deadline of February 20.

Source: 1983 SMRB

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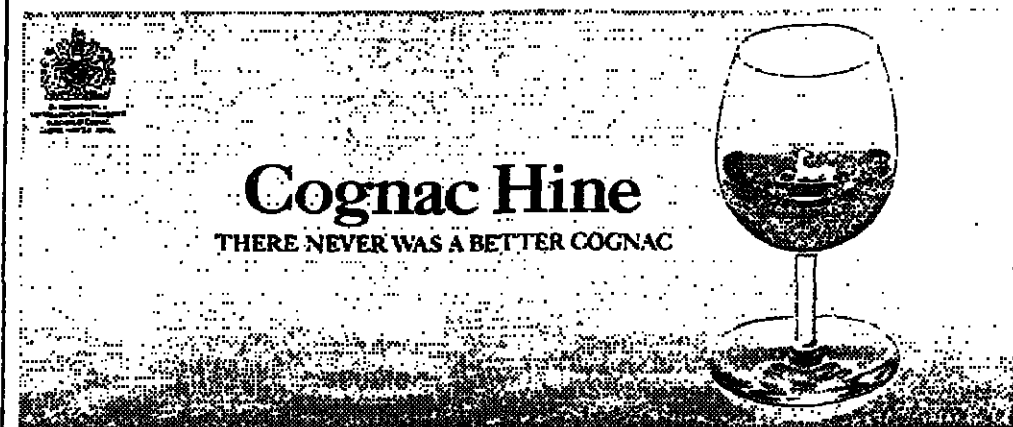
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APPOINTMENTS

J. Bibby & Sons makes changes

Mr Leslie Young is to relinquish his post as chief executive, but will continue as chairman of J. BIBBY AND SONS. Mr Peter Wood, currently managing director of the agricultural group, will succeed Mr Young as chief executive. Mr Ian Smith, chief executive of the feeds and seeds division, will succeed Mr Wood as managing director of the agricultural group, while retaining his responsibilities for the feeds and seeds division. All changes are from July 1 next year.

Mr Roger Swift has been appointed managing director of UNITED NEWS SHOPS.

Mr Ian H. Macdonald will join the boards of CRESCENT

JAPAN INVESTMENT TRUST, and New Tokyo Investment Trust, on January 1. He is chief general manager of TSB Scotland.

Mr John H. Wood, who joined the board of WALTER G. BIRCH (BUILDERS), Harrogate, in 1980, has been appointed managing director in succession to Mr W. Alan Birch who now becomes chairman.

Lord Penneock, chairman of BICC, Mr A. Powis, chairman and chief executive officer of Noranda Mines, and Sir Anthony Tuke, chairman of RTZ have accepted invitations to become honorary presidents of COPPER DEVELOPMENT ASSOCIATION. Mr Eduardo Lloa, secre-

tary-general of the Intergovernmental Council of Copper Exporting Companies (CIEC) has been appointed vice-chairman of CDA (UK) following the resignation of Mr E. Olivares.

Mr Norman Simpson has been appointed director of finance and Mr Alan M. Young, director of ITPL by Mr Malcolm Gill, managing director of Thomson Business Magazines.

BCL has appointed Mr Alan O. Collinson, a main board director, as general manager OPP. He has responsibility for the OPP division's operations at BCL Shorko Films Swindon, which now becomes the HQ for BCL's OPP division, and at Shorko SA Mantes, near Paris, following the recent agreement to acquire a controlling interest in Rhone Poulenc's OPP business. He is also responsible for the company's involvement in Shorko Australia. He joins the OPP division after 34 years managing the BCL Group converter division activities worldwide.

WANSDYKE SECURITY has appointed Lord Erskine of Berrick to its board. Wansdyke Security is a wholly-owned subsidiary of the Bath and Portland Group.

Thomson Publishing of which he has been managing director and chief executive since 1980. He will be succeeded as managing director and chief executive of ITPL by Mr Malcolm Gill, managing director of Thomson Business Magazines.

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Illingworth Morris has a new chairman

Mr Donald Hanson, chairman of ILLINGWORTH MORRIS, is stepping down in favour of Mr Alan Lewis who has been deputy chairman and chief executive since September and controls 55 per cent of the ordinary issued share capital of I.M. Mr Hanson will remain on the board of I.M. and will continue as managing director of Woolcombers (Holdings) and associated companies.

Mr Colla MacGregor, regional Director of PA MANAGEMENT CONSULTANTS in Scotland and the North of England, has been appointed to the company's national board. Mr MacGregor, who has been PA Management Consultants' regional director since 1979, previously worked with IBM in Greenock where he was in finance planning and accounting management.

Lord Brabourne has been appointed chairman of COPY RIGHT PROMOTIONS. Lord Brabourne is a director of Thorn EMI and Thames Television. Mr Trevor Passmore has resigned as non-executive director and has been appointed a consultant.

Mr R. N. Thomas has been appointed managing director of W. H. SMITH DO IT ALL (the group's do-it-yourself chain). He was retail distribution divisional director.

MARTIN THE NEWSAGENT has appointed Mr Bill Mitchell as personnel director from January 16. He joins from Associated Dairies Group where he was director of group personnel.

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Donald E. Anderson

The Board of Directors of Ontario Hydro is pleased to announce the appointment of Mr. Donald E. Anderson as Director, New Business Ventures Division, Ontario Hydro.

Mr. Anderson was most recently Project Manager of the Bruce Nuclear Power Development. Mr. Anderson has had wide experience in design engineering and utility project management and development. He was born in Chatham, Ontario and is a graduate of the University of Toronto, and is a member of the Association of Professional Engineers of Ontario.

The appointment of Mr. Anderson to this position reflects Ontario Hydro's increasing commitment to assist Ontario and Canadian consultants and manufacturers in international markets and maximize the return on capital investment for electricity customers in Ontario through the development of new business enterprises in the energy sector.

This activity will include the development of the Bruce Energy Centre and acceleration of international marketing of by-products, research and development services, technical assistance and supply and procurement services for electrical utilities in development countries.

Mr Patrick Quigley, who joined the NATIONAL BEDDING FEDERATION four years ago, has been appointed chief executive.

Mr John Foulkes, managing director of the Walls Meat business of Unilever, has been appointed chairman of the board responsible for the frozen and chilled interests of IMPERIAL FOODS, which comprise the businesses of Ross Foods and Young's Seafoods. On February 1 Mr Foulkes will succeed Mr Brian Cookson who has been chairman and managing director of Ross Foods since 1973 and chairman of the joint board of Ross and Young's since its formation in September this year. Mr Cookson will relinquish his executive responsibilities in February, but he will remain a director of Imperial Foods. Mr Foulkes will also become a director of Imperial Foods on February 1.

Mr Michael Mander is appointed managing director of THOMSON INFORMATION SERVICES, magazine, directory and data communications group, from January 1. He becomes chairman of International

New Issue
December 15, 1983

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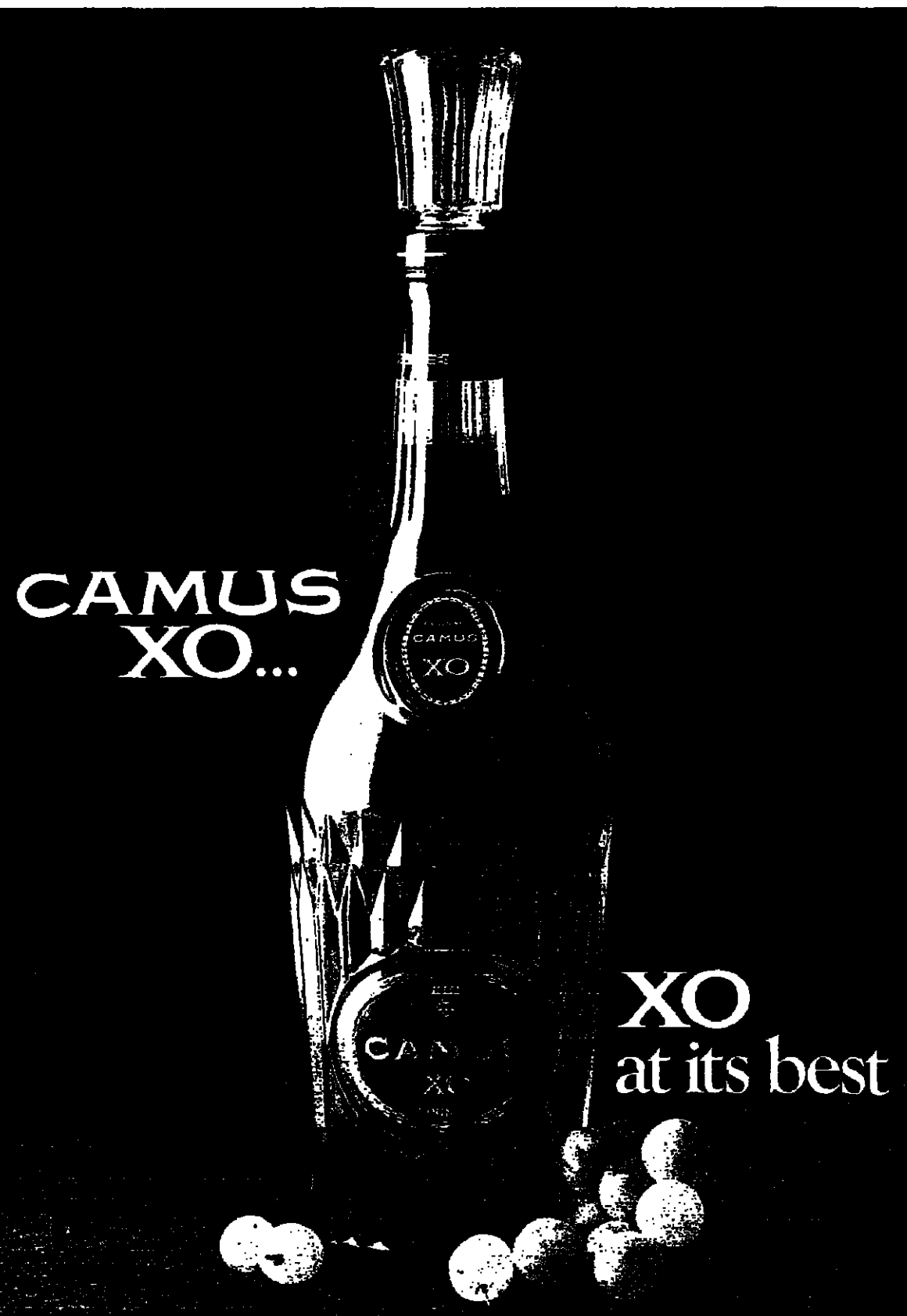


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FINANCIAL TIMES SURVEY

Thursday December 15, 1983

Cable and Satellite TV

The foundations are now being laid for the new architecture which will carry TV into the 1990s. The cable and satellite developments may mean a radical restructure of the present system of worldwide broadcasting

Into the era of 2001

THE AWARD of the first 11 new-style cable television operation franchises and the publication of the draft Cable Bill mark the passing of cable in the UK from planning to actuality.

What has now been set in train by cable and satellite developments in tandem may be nothing less than a total, if long-term, recasting of the traditional pattern of UK broadcasting.

A similar, if less dramatic process has been triggered in the rest of Europe, also.

This process has within it the following elements:

1—Substantial re-regulation of television broadcasting.

2—A breaking down of the BBC/IBA duopoly that has governed UK broadcasting since 1954.

3—Further dilution, tantamount in due course to abandonment, of the concept of public service broadcasting.

4—A shift towards subscription-based TV services, as opposed to advertising based or tax (ie licence fee) based services.

5—Diversification of the sources and distributors of programmes.

6—Diversification of the ownership of the means of distribution.

7—Convergence of entertainment TV and business information over the same networks.

8—Internationalisation of television.

Although many believe the contrary, it would be surprising if cable and satellite, taken together, left much of the 1983

BY REX WINSBURY

structure of UK TV intact in, say, 15 years time. (The same could be true for other European countries, as explained inside this survey.)

It is, of course, argued, by no less an authority than Professor James Riney, a member of the Hunt inquiry into cable broadcasting, and one of the panel that vetted the first list of cable applicants, that cable may take away only 10-15 per cent of the BBC/ITV audience: so what is all the fuss about?

Many feel that this misses the point. Such a migration to cable could in itself have dramatic effects on ITV revenues, based as they are on audience-related advertising, especially given ITV's high fixed costs. It would also weaken still further the BBC's case to remain a call upon the taxpayer's purse.

It also ignores the compounding effect that satellite TV distribution will have. It seems logical to suppose that in time the existing terrestrial transmitter network will fall into disuse, and with it the powers of the BBC and IBA to control TV distribution, to be replaced by satellites and satellite transponders owned, operated or leased by quite different organisations, whether space organisations, PTIs or private companies.

In such an environment, cable will become the natural medium of local distribution in those areas (but only in those areas) which will financially justify multiple services, entertainment and business, while DBS (Direct Broadcasting by Satellite) will offer basic TV channels to all other areas.

All of these new services will be competing for the consumer's time and disposable income: for the advertiser's budgets; and for programmes.

The commercial and institutional implications of this are substantial, and because they are also politically controversial—indeed, the government set up the Hunt inquiry to ally controversy—they are rarely faced up to in public debate. But this has been by carefully addressing cable on its own, rather than cable and satellite together.

The satellite business is in its infancy, technically and operationally. But its basic simplicity and universality will probably make it an ideal means of national and international programme distribution, and the correct perspective is to take cable and satellite together as a joint attack on, and potential substitute for, the TV status quo.

Put simply, the new architecture of television in the 1990s is now dimly visible. It is quite unlike the architecture of the present.

Part of this "new architecture" derives from the criteria by which the first 11 cable franchises have been awarded, and the challenges these pose to both successful applicants and to future would-be cable operators.

One challenge is to justify, in terms of revenues, the costs of a high-tech approach to cable. The government has, by its choice of winners, made it clear that (subject to the overriding criterion of financial solidity) it is the high-tech approach that will win franchises.

Emphasis

The second is more specific—to show that high-tech cable has a use in terms of the non-entertainment services that cable is uniquely capable of carrying.

The present government has all along stressed its emphasis on the information technology aspects of cable: has given short shrift, in the franchise awards, to those who ignored it; and has now conferred on 11 lucky consortia the task of proving that fibre optic cabling, carrying interactive voice and data services will, in the medium term at least, prove economically viable.

Satellites pose their own shorter-term questions. One is about power. Is the high power of transmission planned for the Unisat satellite that will carry the two proposed BBC DBS channels, really necessary? Will there be, after another five years of technical advance and cost reduction, any valid distinction left between DBS and non-DBS satellites?

If and when the UK has its permitted five DBS channels, of whatever power but almost certainly specialised as between film, sport, music and so on, what of the four terrestrial channels we have now?

Will they, along with their transmitters and their quaint old-fashioned all-things-to-all viewers programme schedules, vanish into that special British limbo reserved for the BBC Home Service and its heirs?

These questions lie one within another, like a Russian babushka doll. Inside them are yet further questions. One is the extent of U.S. ownership of British television. Several U.S. cable operators, including one of the very largest, American Television and Communications, a subsidiary of Time Inc., have been allowed a substantial, though far from dominant, stake in some franchise awards. How far will this process go?

U.S. film producers and distributors also figure largely in the proposed premium film channels for UK cable. What impact will this have on the policy of quota limitations on non-UK programming on UK television? Will it mean devising entirely new ways of signalling native production talent, other than by (in effect) import quotas which would have to apply as much to Indian films as to U.S. films?

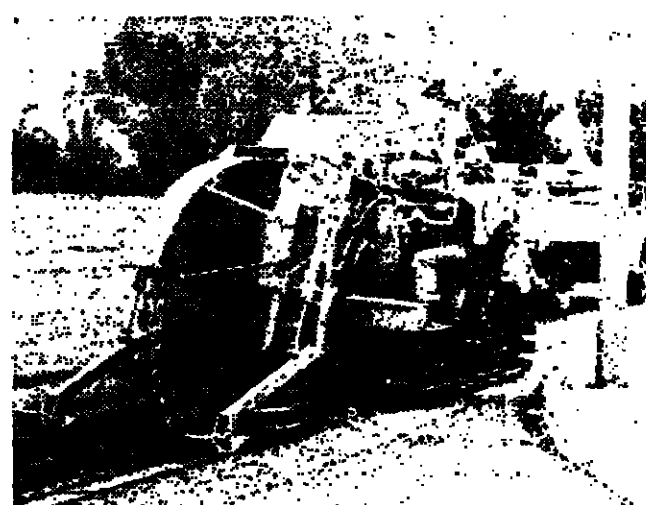
In retrospect, the cable-satellite revolution, now at its inception, will probably be seen as the logical outcome of the process set in train back in 1954, when the BBC monopoly of UK broadcasting was broken in favour of a plurality of approach—a plurality of two to start with, but carrying with it the seeds of far greater plurality.

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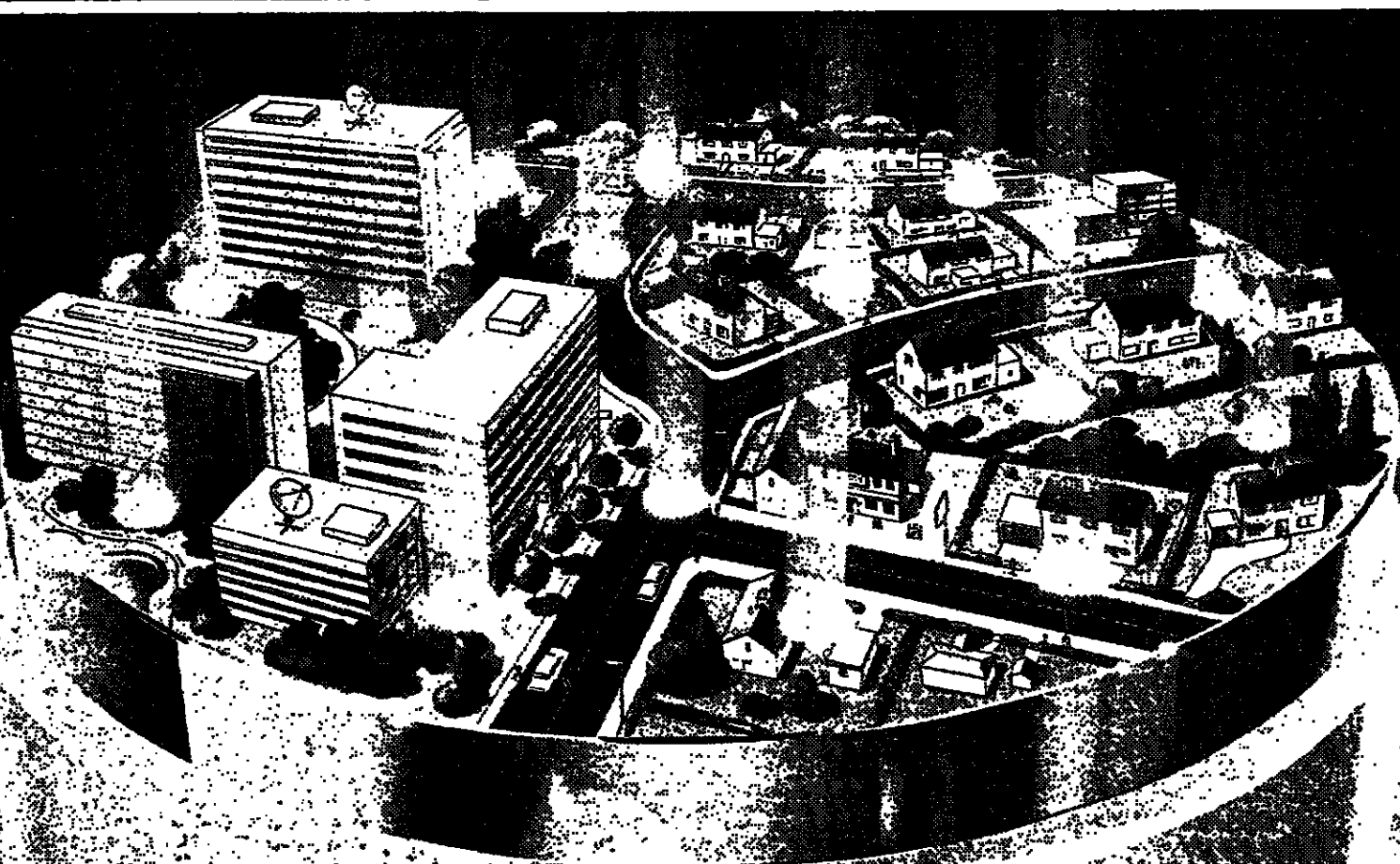
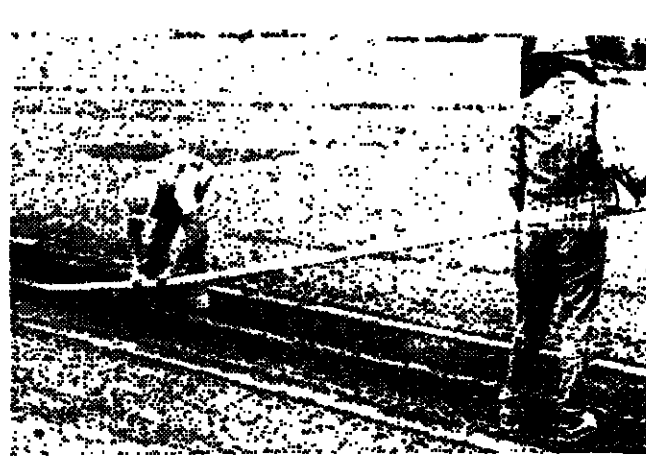
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It is not a process that everyone welcomes, still less recognises. But failure to face up to its implications, carries its own risks. It will be important to preserve through the changes (for example) substantial and impartial news coverage; some minimum standard of taste that does not at the same time infringe the individual's liberty to watch what he chooses in the privacy of his own home; domestic creative talent: the proper development of business uses of cable.

But these values may need to be expressed by radically new means. The Broadcasting Act of the year 2001, the year in which the IBA's charter is now to expire thanks to an extension clause in the new Cable Bill, should make particularly interesting reading. Stanley Kubrick may need to draft it.



In Britain, Cabletime is developing the technology with the Water Research Centre to use the sewer infrastructure for cable installation, for both cable TV and data transmission networks.



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CABLE AND SATELLITE TV II

TECHNOLOGY AND TERMINOLOGY

Guide to the new media

A NEW terminology is entering the language as cable and satellite television get under way in Britain. The following glossary provides a plain person's guide to how the new media work and explains some of the main concepts which surround them.

First, an outline of the main subject matter:

Cable Television: A communications system that delivers television programmes and, in modern systems, a wide range of telecommunications services via a cable which, in this country, is expected to be laid in the ground in ducts. The last part, the cable drop into the home, may be overhead.

Satellite Television: Television programmes may be transmitted via satellite (i) to cable operators for distribution over the cable network; and (ii) directly to the home (Direct Broadcast by Satellite—DBS).

In both cases, the signals will be picked up by a dish aerial. But the small dish that would be practicable for a home subscriber to install in his garden or attach to his house requires the use of more powerful satellites. DBS will also feed into cable systems.

● The A-Z of cable and satellite TV:

Addressability: the ability of cable operator to address an individual subscriber's code, contained in the TV set-top device, so as to authorise pay-TV and basic services or to cut off non-paying customers.

Amplifier, repeater: equipment placed along a cable network (co-axial or fibre optic) to amplify the signals which attenuate (weaken) as they travel. Fibre-optic cable needs far fewer amplifiers.

Bandwidth: a measure of (i) the amount of the spectrum used by a type of communication. A telephone transmission occupies a bandwidth of 3000 cycles (3KHz) and the normal TV channel 8 million cycles (8MHz); and (ii) the capacity of the communications system. A cable system might have the capacity of 400 MHz—in theory 50 TV channels, in practice probably 30.

Broadband, wideband: describes a communications system (for instance, cable) which can carry a wide portion of the spectrum and, therefore, all broadcasts and a variety of other services.

Cable Authority: the statutory body being set up by the Cable Bill, now going through Parliament, and which will award franchises to cable operators and supervise cable services.

satellites by the European Space Agency.

Frequency spectrum: a continuous range of frequencies of electromagnetic radiation (using oscillating electrical and magnetic energy which can travel through space), over different areas of which various types of communications operate. These areas are generally allocated by international agreement.

Head-end: the "start" of a cable network where signals are received by various forms of transmission (off-air broadcast, satellite, microwave link), then processed and distributed, together with local video programmes, along the network.

Hub: a secondary head-end used at a remote part of a large cable system and connected to the head-end by a super-trunk. It operates as a new "start."

Intelsat (International Telecommunications Satellite Organisation): with more than 100 member countries, it relays a variety of telecommunications, via several satellites, between and within countries. Transponders leased by British Telecom and Mercury are likely to distribute programmes to British cable systems.

Interactive services: two-way services, available to a high degree with switched-star cable systems, whereby the subscriber can communicate with the head-end or other subscribers. Likely to be used for home banking, shopping and emergency services and by businesses.

Interwave links: line of sight high-frequency transmission of signals from one ground point to another that have line of sight.

Multiple System Operator (MSO): a cable operator with several satellite channels to Must-carry: the Government has said that cable operators must carry existing broadcast and future DBS channels.

Narrowcasting: transmitting a specialist cable channel to a precisely-defined audience, perhaps based on a specific interest or hobby; possible on a multi-channel cable system.

Off-air reception of broadcast TV signals: reception of broadcast TV signals transmitted through the optical-fibre cable; cable made with a core of glass or

plastic which will largely replace the cheaper coaxial when the price comes down. It can carry limitless bandwidth, is immune to interference from outside signals, and has very low loss of signal.

Pay TV, pay-per-view, premium channel: television programmes, on cable or satellite, which must be paid for in addition to the basic subscription package of programmes.

Programme provider: the organisation responsible for providing programmes (or a channel) to a cable system.

Switched-star: the most modern cable system design, with the signals sent down trunk lines to switching centres, from where a star of lines radiates to subscribers. The final link carries only three or four channels since channel selection is carried out at the switch under instructions from the subscriber. The switch allows for many interactive services. The electronic componentry is at the switch rather than the subscriber's home.

Star: any star-designed system; often used to refer to a non-switched system which still functions as a tree and branch but can be easily upgraded.

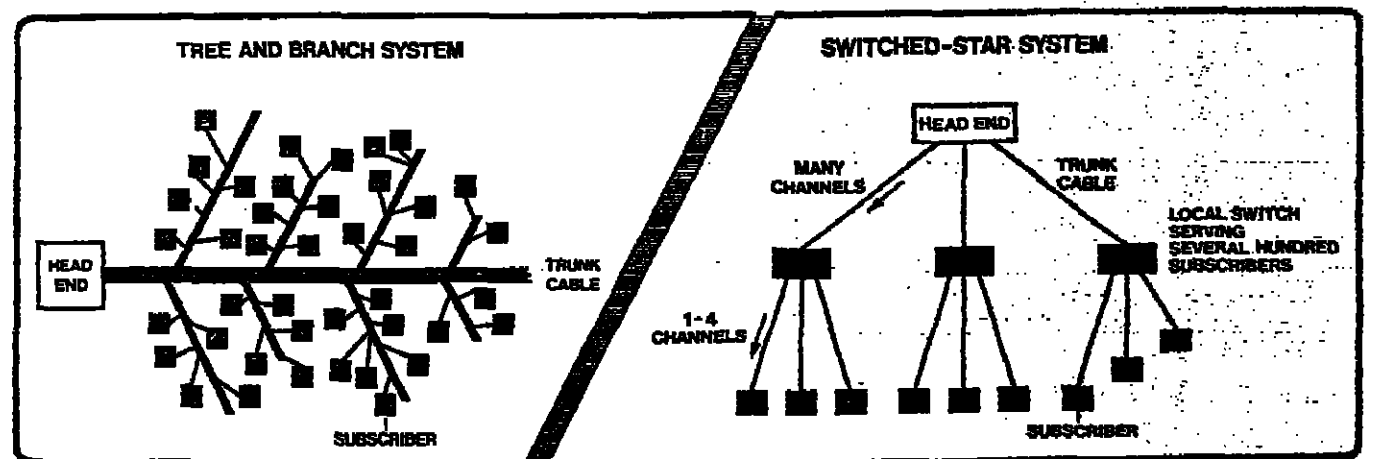
Tiers: a basic tier is the package of services received by a viewer for his basic subscription. There may then be a more expensive "extended basic" tier and also premium channels.

Transponder: the key equipment on a satellite which receives and transmits signals at a high frequency and, most important, at a certain power—perhaps 20 watts for sending programmes to a cable head-end and 200 watts for DBS home reception. A satellite may carry several transponders, each of which usually provides one TV channel or various telecommunications services.

Tree and branch: the traditional cable system design, with all services (the whole bandwidth) being available to all subscribers at any one time. The subscriber uses a set-top device to choose channels and to decode signals for which he has paid. The system, having little spare bandwidth, allows for little interactivity.

Unisat: a consortium of British Telecom, British Aerospace and GEC which will manage the satellite likely to deliver two BBC DBS channels from late 1986.

Peter Elman



The two main cable distribution systems

THE QUALITY OF PROGRAMMES

Costs: a crucial issue

THE QUALITY of programmes and how cheaply they can be produced is absolutely crucial to the viability of multi-channel cable television in Britain, at least until business and interactive services start to bring in a significant portion of operating revenue.

The consumer has to be persuaded to pay something in the region of £15 a month, for around eight or 10 basic channels plus a premium film channel.

The explosion of choice at a price compares with a monthly charge of around £3.80 for the colour television licence which pays for BBC 1 and BBC 2, plus four national radio networks, backed up in many areas of the country by local radio.

Together with two "free" network channels on ITV, many believe the British consumer already receives some of the best television in the world from signals which cover almost the entire country with good quality pictures.

By trying to offer something new, the cable programme makers face a problem familiar to all those who have introduced new technologies and new services.

In order to be able to afford to offer high quality programming they will have to attract a significant audience. But in order to win that audience in the first place they will have to spend considerable sums in advance to try to create a market which no-one knows for sure really exists.

The virtuous circle can only be broken by programme companies putting a lot of money "up front" in the hope that marketing of what is a new untried consumer product on the doorstep will be successful and as much as 35 per cent of homes passed can be signed up.

Consortium

Market research has produced contradictory advice on how much the consumer is prepared to pay. It is also ambiguous on whether the high incidence of video recorders is evidence for further unsatisfied desire for more choice or competition which already satisfies that appetite.

The clear point that does emerge from the research is that the one thing that people are most likely to pay for is a premium film channel.

Three large groups are planning to address that market.

The first in the field was The Television Entertainment Group, a consortium put together by



Mr Don Cruickshank, director of Goldcrest Films and Television: "We are confident of the future of the new media. Goldcrest is eager to support the Government's plans for cable and satellite television in Britain"

Goldcrest Films and Television (which along with the Financial Times, is part of the S. Pearson Group) and Home Box Office, the most successful programme provider for the U.S. cable industry. Columbia Pictures and Twentieth Century Fox, CBS recently withdrew from the consortium.

The Entertainment Group's name — as yet without a channel — was rapidly followed by the Entertainment Network (TEN), which brings together Plessey, Rank, and Visionaire in the UK with UIP Pay TV of the U.S.

UIP is itself a consortium of three: MGM, Paramount and Universal Pictures. Between them, the studios claim to have produced 60 of the 100 films ranked all time gross revenue winners and the archives contain 11,500 titles.

The third rival is Thorn EMI, with a film channel called Premiere — part of a significant push into the market for cable programmes by Thorn which we have a solid local base to build on because of its successful franchise applications in Swindon and Coventry. Thorn-EMI is also planning a children's channel, called Jack in the Box.

The three rivals face a series of problems which may reduce their number to two and cost someone a lot of money.

The number of high-quality films suitable for premium film channels is strictly limited and the deals with major studios, even when they are shared

holders in a consortium for the UK market, involve non-exclusive deals.

The three competing film channels may, therefore, have many films in common and the battle could come down to a marketing and packaging one.

Few, if any, of the 11 new franchise holders are likely to be operating before mid-1985 and the market will be created next year on traditional four channel cable systems cleared of traditional network broadcasting. This should give an early advantage to TEN on the cleared cable systems of Radifusion and Visionaire.

Rationalisation of the market for a pop music channel has begun already with a merger between Yorkshire Television's "MusicVision" and the "Virgin" group's Cable Music. The contest now is between that new company and Thorn's Music Box.

In the sports field there is a straight match between Screen Sport and CSI to provide national sports channels.

Mr Robert Kennedy, managing director of Screen Sport, is looking at such significant minority audiences as horse racing enthusiasts in his programme plans with the possibility in the longer term of interactive betting.

General entertainment will be provided by Rupert Murdoch's Satellite TV which will be providing five hours of programming a day from January 16. This will increase to eight hours a day by April.

Satellite TV has already reached deals with three of the existing operators and more are considered likely.

On the news front, the story has not broken yet. Individual operators will probably produce local news programmes, with the help of local newspapers or radio stations. National continuous news programmes for the UK and European Cable are being seriously considered by the BBC together with Visnews, the international television news agency, and ITN together with the independent counterpart of Visnews, UPTIN. But the plans in this case have so far only reached feasibility studies.

Several of the successful franchise applicants are believed to have specified the performing arts channel British Cable Programmes set up by the president of the Liberal Party Mr John Griffiths. Some of the others have promised an arts channel without being specific.

Mr Griffiths has ambitious plans to use provincial performances of quality to put together a "relativity" times channel which will not involve the extra expense of satellite delivery.

Wyvern Television of Swindon is also planning an education channel complete with morning business briefings.

Thorn-EMI is also intent on taking a chance with video games on cable. W. H. Smith, which has an agreement with The Games Network of the U.S., is another competitor in the field.

One of the successful bidders for a franchise said recently however, that he regarded the offerings so far as "meagre."

When the programme plans of all the would-be moguls of cable have been given their due consideration, the remorseless arithmetic remains.

The BBC spends an average of £200,000 an hour for drama and the ITV companies probably pay even more.

Cable operators certainly in the early days, will not be able to spend much more than £2,000-£3,000 an hour.

Cable television will not, indeed, be "wall-to-wall Dallas." That would be too expensive. It remains to be seen whether the programmes that the new companies can afford will be of high enough quality to keep subscribers paying month after month, and how many of the UK programme-makers will be able to stay the course to really find out whether a significant market exists or not.

Raymond Snoddy

STOCK MARKET'S VIEWPOINT

Investors show more caution

IN 1982 and early 1983 the prospect of cable TV coming to the UK was enough to send the share prices of some of the obvious participants moving ahead rapidly.

But in recent months the enthusiasm in the stock market has cooled rapidly. Indeed, when last month the Government announced a surprise list of winners and losers in the race to win a pilot area licence, with one notable exception, individual share prices hardly moved.

The more cautious assessment of cable's prospects is due to a re-assessment of the likely financial returns from the industry, based largely on the experience in the U.S., where the new generation of cable companies have found the going tough.

In the UK there is now a widespread recognition that the pay-off for investment in cable will be long-term. At this stage the response of UK households to cable is still essentially unknown—with small-scale tests and market surveys indicating resistance above quite low monthly subscription charges, so investment in cable is seen as risky.

At a time when many companies are switching their business base from capital-intensive operations towards those which have relatively modest capital requirements—and, often, much better returns—cable involves very high capital expenditure. This is required to put in the cable networks, from which the revenue return builds up slowly.

It will take some years to push up the necessary penetration of households, and even longer for the income stream to be boosted as additional services, such as data communications, are added to the base load.

What do the sums look like at this stage?

It is estimated that it may cost about £500 to cable up each home in a licensed area with the sophisticated switched star system which the Government favours. The cheaper and less advanced tree and branch system might cost about £300 a home to connect.

On the assumption that 50 per cent of households might subscribe to the service in a typical area of 100,000 households, the capital investment in the early years for cabling such an area from scratch with a sophisticated system might be about £25m.

The return on this investment will depend crucially on what the subscribers to the operating companies can charge. Here the early signs are unpromising. According to a recent survey carried out by AGB, the television audience research group, in 10 of the 11 areas chosen for pilot licences a rock-bottom subscription charge of £7 a month would only attract 4 per cent of the total potential number of subscribers.

Example

At £9 a month, there would be a 36 per cent take-up; at £11, 26 per cent; and at £13, 18 per cent.

The initial optimum income on this basis would be little better than £2m a year, a return on the £25m of capital that would not even cover interest charges, after operating costs. The take would move up as new services are bolted on, with AGB estimating a total income of £16.50 a month from each household and an annual revenue of about £25m.

If operating costs, including the price of programme material, is estimated to absorb half of this revenue, the return on capital invested would emerge at a less-than-compelling 16.5 per cent, after a delay of some years. No wonder the

financial markets and the interested companies are looking at this area of investment with great caution.

Given this background, it is no surprise that cable is of interest, broadly speaking, to two kinds of business group:

● The first is large companies with plenty of tax shelter for capital investment. These want to run and install their own cable systems.

● The second group are smaller operators interested in operating a cable system provided by British Telecom or Mercury.

For the first group, given the length of time required to obtain a return on investment, the 12-year franchise period for operators is extremely tight. It allows an effective period of only seven or eight years for debt finance, which is not very long given the slow build-up of service provision.

They will only partially get round the problem by also getting the network owners, with 20-year licence periods for switched star networks. A licensee who loses his operating franchise in year 12 is placed in a difficult position.

The other problem relates to taxation. The major companies can only contemplate investment on the basis that they will receive full 100 per cent first year capital allowances, which in practice can reduce the initial cost by up to half.

However, within days of announcing the conditional choice of 11 applicants for pilot licences last month, it emerged that the Inland Revenue has reservations about accepting the new cable investment in "ducting" as capital expenditure.

For two of the 11 companies at least, Thorn EMI and Ladbroke, this must introduce a major element of uncertainty. Certainly they may be reluctant to press the "go" button

until the tax position is regularised, which may not be until the next Finance Bill.

BT has an advantage in providing cable slots in many cases the ducting is already in place, and substituting the cable carried is a relatively cheap process.

This should make up for an inability to use all the capital allowances generated. But the smaller operators which will be interested in leasing cable capacity from BT have a major problem in the build up phase when there could be a large negative gap between income and the rental charged by BT.

Support

The smaller operators will not have physical assets to use as security, so the banks will probably be unwilling to advance loans to support the loss-making period. The implication here is that BT—or Mercury—will have to provide strong support for these players in the early years.

Indeed, there are strong signs of this approach in the pilot licence applications. BT was cable provider in five of the 11 provisionally successful applicants, and in four of these it also took a stake in the operating consortiums. Only in Coventry is it providing cable to Thorn EMI as operator, a company able to look after itself.

Meanwhile, the real surprise

the Government's provisional list of pilot licence areas of the names excluded. Of three companies which had been expected to be major players in cable, Electronic Rentals won none of its franchise applications, and neither did Sales TV.

Guilford, the smallest of its proposals.

David Freud

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CABLE AND SATELLITE TV III

U.S. CABLE OPERATORS AND MAJOR MARKETS

Cable operators	Parent company	Year-end 1982 subscribers (m)	1982 operating income (\$m)	% change from 1981	1982 revenue (\$m)	% change from 1981	Major markets served
American Television and Communications	Time Inc.	2.1	166.0	+35	864.0	+39.8	Memphis; Miami Valley, Ohio; Topeka; Corpus Christi; Pittsburgh suburbs
Comcast Cable Division	Comcast	0.3	13.1	+52.1	47.5	+73	Kentucky; Maryland; Michigan; Mississippi; New Jersey; Pennsylvania
Cox Cable Communications	Cox Communications	1.29	37.7	+23.6	261.5	+38.6	San Diego; Norfolk-Portsmouth-Virginia Beach; New Orleans suburbs; Santa Barbara; Omaha
Group W Cable	Westinghouse	1.8	52.3	(-33)	726.2	+68.5	Seattle; Manhattan; Santa Monica; El Paso; St Petersburg
Storer Cable	Storer Communications	1.16	61.4	+64	222.6	+67.7	Northern Dade County - Southern Broward County; Louisville suburbs
Tele-Communications Inc.	Tele-Communications Inc.	2.3	58.5	+93.1	265.6	+58.4	Sarasota; Charleston; New Haven. Serving over 450 cable systems in 43 states
Times Mirror Cable Television	Times Mirror	0.7	20.0	(-14.0)	125.0	+21.0	Serving over 67 systems in 16 states: Tulsa; Idaho; Texas; Wyoming
United Cable TV Corporation	United Cable TV Corporation	0.5	35.9	+44.8	99.8	+58.9	Illinois; New Mexico; Michigan; Pacific Northwest; Ohio; Long Island
Viacom Communications	Viacom International	0.6	19.3	+22.8	112.9	+22.5	Nashville; Milwaukee; Mountain View
Warner-Amex Cable Communications (50%)	American Express (50%), Warner Communications (50%)	1.2	(46.0)	n.a.	308†	+74	Houston; Cincinnati; Pittsburgh; Columbus; Akron

Research: Rivka Nachama.

† Consolidated revenue.

U.S. cable programmers battle for survival

CABLE TELEVISION in the U.S. is "growing up." The industry, and the programming sector in particular, is in the midst of a shake-out.

This has placed a premium on efficient and effective management of existing cable systems, prompted renewed emphasis on the "packaging" of cable systems and led to a fierce battle for survival among many of the programmers.

While the industry can already boast some notable winners, it has also led to some spectacular failures—even among the industry giants—and this, in turn, has at least temporarily soured Wall Street's perception of cable in the U.S.

Cable now faces new competitive challenges from other forms of programming distribution, including the first commercial direct broadcast system (DBS), introduced last month.

While this competitive threat is generally considered to be exaggerated, the major task facing the U.S. cable industry today is to deliver on the promises made by early cable pioneers when cable was in its infancy and the dream was "to wire America."

Since then, the satellites which arrived in the mid-1970s have revolutionized the industry, transforming it from a system to improve television reception into one of the principle vehicles for the "video revolution."

But the transformation has not been without its problems. High interest rates, soaring construction costs and slower-than-expected revenue growth—particularly advertising revenues—have ushered in a new period of realism.

However, as growth in the U.S. has slowed, new opportunities have opened up elsewhere in the world, particularly in Europe. U.S. cable companies are well represented among the companies which recently won the first franchise bidding round in the U.K.

They see the UK and the rest of Europe as a chance to "get in on the ground floor" of a new wave of cable expansion which could bolster existing revenues and offer the opportunity to learn from mistakes made in the U.S.

Three major groups of companies have emerged in the U.S. cable industry. The equipment suppliers, such as Oak Industries and General Instrument, the cable system operators—such as Warner-Amex and Tele-Communications—and the programmers, like Viacom International, Time and Turner Broadcasting. In some cases, like Warner-Amex, the companies are both system operators and programmers.

Eight years ago there were fewer than 10m cable subscribers in the U.S. Today an estimated 31m U.S. households, or about 37 per cent of the total, have signed up for cable.

Despite a slowdown in the pace of basic service, subscribers growth the number is growing at around 300,000 a month, according to Paul Kagan, a west coast cable industry analyst.

Problems

Nevertheless, despite this phenomenal growth the industry does have problems. Indeed, the rapid pace of growth has been one of the main causes, say industry experts.

Cable system operators—believing they were building "money machines"—became overconfident and went on a building spree in the late 1970s, entering fierce bidding battles for new franchises.

Local authorities became ever more demanding. In some cases, they asked for, and received, promises of free local television studios.

As a result, construction costs soared at a time when many projects were being financed with borrowed funds tied to escalating interest rates. Five years ago it cost between \$500 and \$400 per subscriber to build a new system. Today, the figure in some of the big cities is closer to \$1,000 a subscriber.

The economics of building new systems had changed radically. As a result, a number of major system operators have pulled out of the franchise war.

By PAUL TAYLOR
in New York

Most others, like the largest system operator, Tele-Communications, are concentrating on improving existing systems or on acquisition as a means of growth.

While Wall Street analysts, such as Edward Dineen of Salomon Brothers, believe that most big city systems will still be built, they also believe there will be a pause in construction and extensive renegotiation of some existing, but unprofitable, contracts.

In order to improve profitability, cable system operators need not only to retain subscribers—there is evidence that the disconnect rate or turnover rate among subscribers is in some cases unacceptably high—but also to bolster revenues by persuading subscribers to take the extra premium services.

No-frills service

Currently, the average cable subscriber pays about \$20 a month for the basic no-frills service. To support construction costs for new systems some analysts suggest monthly revenues of around \$40 a month per subscriber are needed.

In order to achieve this, cable operators are emphasizing the incremental revenues they can obtain by persuading subscribers to take the premium channels like HBO which currently has around 18m subscribers.

Some operators are mounting advertising campaigns to win new premium channel subscribers. Others are starting to package services including, say, a basic 30-channel service, plus one or more premium channels or experimenting with one-off "pay-per-view" events like major boxing matches for which the subscriber pays an additional fee.

Around 18m U.S. cable subscribers currently pay extra for one or more of the premium channels which often cost as much as \$10 a month. For each dollar of additional revenues these services bring in, the cable operator keeps around 65 cents. It is easy, therefore, to see why these "hang-on" services are seen as the key to improving profitability within the operating sector of the industry.

Clearly, the system operator's success in persuading subscribers to take additional services could also have a dramatic impact on the premium channel programmers themselves.

Among the premium channels, only HBO and a similar channel called Showtime, are profitable.

Despite this a number of new channels, including the Playboy Channel and the Walt Disney Channel, have been launched this year and are generally expected to carve out specialist niches in the market—and thereby ensure survival.

The problems in the advertiser-supported section of the cable programming industry are perhaps the most severe. Very few are profitable.

Most Wall Street and industry analysts expect the process of consolidation to continue resulting in a small group—perhaps around half a dozen—profitable advertiser-supported channels.

One of the main reasons for the consolidation phase among these channels is the unexpectedly slow growth in advertising revenues. In part, this reflects the relatively low audience for all but the largest channels.

Total advertising revenues for cable this year are expected to total about \$350m—a fraction of the total for the main network programmes—and around half that will go to Turner

U.S. non-cable pay TV subscribers ('000)

Year	STV	Cable alternatives MDS SMATV	Basic cable
1976	—	43	10,577
1977	20	71	11,457
1978	145	146	12,417
1979	399	278	14,261
1980	795	447	16,635
1981	1,541	530	20,388
1982	1,838	565	24,756

Source: Paul Kagan Associates and Goldman Sachs.

Leading U.S. advertisers-supported cable services

Service	Owner	Homes reached (m)
Entertainment and Sports Programming Network (ESPN)	Getty Oil	28.5
WTBS	Turner Broadcasting	26.6
CBN Cable Network	Christian Broadcasting	22.2
Cable News Network (CNN)	Turner Broadcasting	20.3
USA Cable Network	Time, Paramount Pictures and MCA	19.0
MTV: Music Television	Warner-Amex Satellite Entertainment	15.0
Nickelodeon	Warner-Amex Satellite Entertainment	13.0
Cable Health Network*	Viacom International	12.3
ARTS	ABC and Hearst	11.3
Nashville Network	Gryford Broadcasting	10.0
The Weather Channel	Landmark Communications	10.0
Daytime*	ABC and Hearst	9.5

* These will soon merge into a single service.

Source: ICR Cable Information Service.

Growth in U.S. pay-cable subscriber units (figures in '000)

Year	Pay-cable units		Pay-cable units as % of Basic cable TV households	
	Total	Net additions	%	%
1975	305	—	3.2	—
1976	724	419	6.8	1.0
1977	1,310	586	11.4	1.8
1978	2,466	1,156	19.9	3.4
1979	4,295	1,829	30.1	5.8
1980	7,438	3,143	44.7	8.7
1981	12,450	5,012	61.3	15.6
1982	18,000	5,500	72.7	22.1

Compound growth 1975-82 80%

Source: Paul Kagan Associates and A. C. Nielsen Company.

U.S. pay TV network

Home Box Office (Time Inc.)	Pay cable subscribers
Showtime (Viacom)	12,500,000
The Movie Channel (Warner-Amex)	4,500,000
Cinemax (Time Inc.)	2,500,000
Playboy	500,000
Prism	348,000
Disney	285,000
Spotlight (TCL, Cox, Storer and Times Mirror)	250,000
Home Theatre Network (Westinghouse)	225,000

Source: The Pay TV Newsletter, June 1983.

Broadcasting which aside from running Cable News Network also operates WTBS, one of the largest advertiser-supported channels with 26.6m potential viewers.

In order to make up for the lack of advertising revenues, cable programmers, led by Turner Broadcasting, have begun to charge cable operators a per-subscriber fee for the services—thus broadening their revenue base.

Cable programmers—but not cable operators—could also benefit from the advent of alternative distribution systems, such as DBS.

DBS uses a satellite to beam programming direct to roof-top dishes on subscribers' homes. The first commercial DBS service was launched last month by United Satellite Communications, a joint venture between General Instrument, the Prudential Insurance group and a group of private investors.

About half a dozen companies and consortia have plans for DBS services which could eventually reach around 15m subscribers. However, DBS is limited by the relatively cumbersome and expensive roof-top dishes and restricted number of channels.

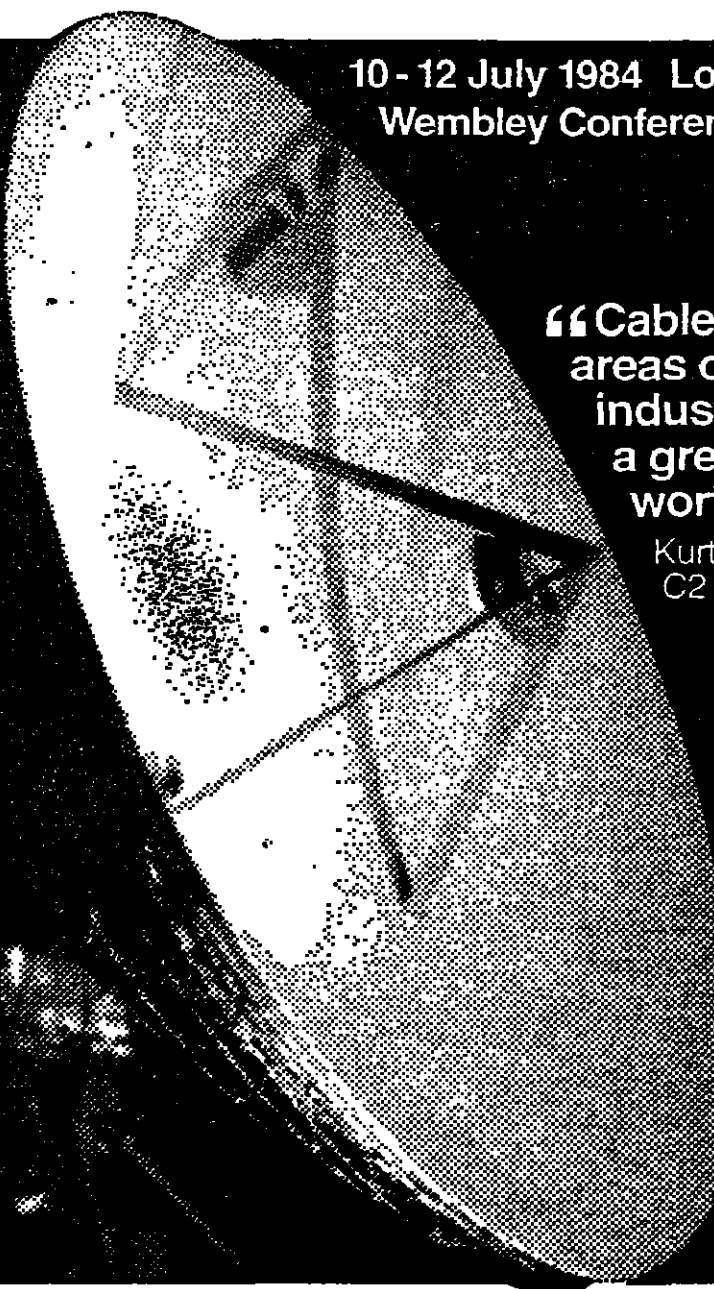
Thus, for the moment, DBS and other delivery systems which use satellites and roof-top dishes are therefore considered unlikely to pose a serious threat to cable. Instead, they are expected to attract subscribers in those areas—such as rural regions and some city centres—where cable is unavailable.

The imminent introduction of new high-powered satellites capable of offering more than five channels and using smaller roof-top dishes could change all that, however. The competitive threat from DBS could then become the next really big challenge facing cable.

Meanwhile, most analysts expect cable in the U.S. to recover from its recent problems. In many senses, cable in the U.S. is entering a new era. Professional managers are replacing the entrepreneurial pioneers and a premium is being placed on profitability. U.S. cable companies may no longer be the "child wonders of the home video world." But as Ellen Berland Gibbs, an analyst with Goldman Sachs, notes: "Even the gawkiest of adolescents can turn into the most attractive of young adults."

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CABLE AND SATELLITE TV IV

Government encourages more private investment

UK seeks to balance priorities

IN THE past two years, Britain has moved more decisively than any other European country to encourage the private sector to exploit the opportunities offered by the development of cable television and satellite broadcasting.

Last month, the Government chose 11 privately-financed consortia to which it will offer the first, interim, franchises to build and operate cable television systems. The franchise awards are intended to maintain momentum in the industry until cable legislation is approved by Parliament next summer.

The legislation will establish a cable authority with responsibility for granting further franchises throughout the country. It will also have wide powers to regulate the cable industry and to maintain programme standards.

At the same time, planning is well under way to launch a privately financed satellite system which would transmit a direct broadcast television channel down to the British Isles and provide communications links over a much wider area, extending as far as the east coast of North America.

The project, Unisat, is a joint venture between British Telecom, British Aerospace and GEC-Marconi and will use large L-Sat satellites, built by BAE. The final go-ahead awaits a decision by the British Broadcasting Corporation, which has been authorised by the Government to operate two DBS channels from 1996.

The dawn of the cable and satellite broadcasting era has led to a good deal of public debate, excitement and some—probably extravagant—specu-

By Guy de Jonquieres

lation in Britain. The Government has sought to present the whole exercise as a glamorous growth business, whose spontaneous development required little more than the removal of obstacles to private investment. In the words of one starry-eyed cable enthusiast: "All the Government has to do is sit back and let the cable drums roll."

In reality, the situation has developed rather differently. The economies of cable and satellite television in the UK remain fragile. It is uncertain how much consumer demand there will be for additional entertainment programmes and whether it will be possible to provide them cost-effectively.

Computer models suggest that the investment of £30m or so needed to build a cable television system will take seven years at best to recover. Meanwhile, the BBC has hesi-

tated for several months about signing a final contract with Unisat, which would commit it to spending almost £170m in transmission charges alone. At the time of writing, the BBC appeared set to defer the project for at least a year. Independent television companies, while cautiously enthusiastic about satellite broadcasting, appear in no hurry to proceed.

The Government has more than a casual interest in the development of both new types of media. It has invested considerable political prestige in their success. While it has publicly stressed the importance of market forces and private enterprise in the whole experiment, there has been more than a hint of dirigisme in the implementation of its policies.

Ministers have carefully vetted the first cable applications to try to limit the risk of embarrassing failures by early franchise holders, which might discourage investors. Moreover, future franchises will be awarded not on the basis of competitive bidding, but to a large extent at the discretion of the planned cable authority.

Cable and satellite are, of course, not the only methods available for delivering extra television programming. A variety of alternatives are already in use in the U.S., which involve far lower investment and hence smaller financial risks. One is so-called subscription television, which beams signals over a relatively small area in a coded form. Only viewers

equipped with suitable unscrambling devices can receive the programmes.

The British Government, however, sees a wider range of television programmes as much as a means as an end in itself. An important objective of its policies right from the start has been to stimulate the development of Britain's telecommunications infrastructure and equipment manufacturing industry. It has viewed entertainment television primarily as the source of financing.

The Government hopes that Unisat will help BAE to sell its L-Sat satellites on the world market. It is counting on cable television, on the other hand, to provide a wide-band "electronic grid" which will in the future carry inter-active computer services such as home banking and tele-shopping and two-way live video transmissions.

Balancing these priorities has, inevitably, required compromises. The Government would plainly have liked all cable systems to use advanced "switched star" technology, which enables subscribers to dial up any channel at will. But many prospective system operators, with an eye to earning a profit, would prefer to use the "tree-and-branch" architecture.

In the event, a number of the bidders selected for the first round of interim franchises plan to build "tree-and-branch" systems. But the Government has insisted that the ducts carrying the cable must be laid in such a way that the system can be upgraded to "switched star" status in the future.

Similarly, a balance has had to be struck between the desire of the Department of Trade and Industry to encourage private investment by subjecting programmes to the lightest possible control and the Home Office's traditional concern for preserving broadcasting stan-



● Above: Former world modern pentathlon champion Kathy Taylor gets the feel of the new Nimrod home terminal units from Racal-Oak. Kathy, herself a sports programme presenter, is looking forward to the day when an all-sport Pay TV channel is available.

● Britain's Home Secretary, Mr. Leon Brittan (right): "Cabling Britain will be an investment in tomorrow's growth and jobs, and in the country's future," he says.



dards and public decency. This task will, ultimately, rely heavily on the judgment of the cable authority.

Whether the Government's vision of cable systems developing as the electronic "highways" of the future is realised will depend on more than just the ability of private investors to earn a satisfactory profit on them.

Some commentators have already argued that most interactive information services likely to appeal to residential users can already be carried on British Telecom's existing telephone network. Its capacity will be enhanced as it is modernised to meet BT's goal of operating an "integrated services digital network" in most of the country by the mid-1990s. The only service which could not be carried as standard

would be live video transmissions. Meanwhile, ironically, some in the industry believe that cable could prove less commercially attractive as a vehicle for entertainment television and interactive services than as a means of delivering plain old voice telephone traffic.

Mercury Communications, the independent competitor to BT, is discussing with a number of prospective system operators the possibility of using their networks to carry a local telephone service.

Though the economics are still uncertain, Mercury says that its computer models suggest that voice telephony could bring the break-even point for cable systems nearer and might contribute as much as half their net profits after ten years' operation.

Strong contrasts in the European viewpoint

ALTHOUGH MOST of Europe is responding to the challenge of cable and satellite by diversifying its broadcasting structure, reactions in continental Europe differ from the UK. For two important reasons: one is greater hostility to advertising, amounting in certain countries to a total ban so far on TV commercials; the other is greater hostility to U.S.-originated programming, at least in certain circles.

These two factors overlay a third factor—greater emphasis than in the UK on public authorities, notably the state-owned PTT, to initiate, control and finance new forms of television. Few European countries are following the route of the UK towards substantial deregulation of communications; therefore they are seeking to reconcile greater choice for the TV consumer with (in most but not all cases) continuing state control of the technical means.

The most ambitious plans in the whole of Europe are in France. The PTT is to be responsible for a large-scale investment programme based on fibre optic cabling of major cities, allied to a highly expensive test-bed experiment in Biarritz involving use of fibre optic cable for both TV distribution and video-telephones.

What is unusual in France, first, its launch of a fourth conventional TV channel, Canal Plus, on a subscription basis using decoders, thus pre-empting for off-air TV a role normally associated with cable; and secondly, the as yet ill-defined project for joint DBS operations with West Germany. There are now several instances in the communications field of co-operation between France and Germany (radio paging, mobile cellular radio, DBS satellite, exchange of cable programming).

Networks

Critics have already said that the French Government has set a problem for itself in authorising both a nation-wide pay-TV off-air channel based on recent feature films (to start in November 1994, and costing about FF 120 a month for the basic service) and a national cable TV network, whose main attraction might otherwise be its film channels. Although cable will carry Canal Plus, why should the subscriber pay to get cable when he has already paid to receive Canal Plus, which will be there first?

Canal Plus will have a mix of public and private shareholders, and in terms of financial structure is the nearest analogy to cable TV in the UK. It is also an unusual project for a socialist administration to launch. Some now fear that cable will have to rely on import of many foreign TV and cable channels to provide consumer attractions.

So far, no decision has been taken, and legislation after the recent government White Paper on cable may be delayed until nearer the end of 1994. In Belgium, the Dupuis pub-

lishing company (otherwise best known as creator of the Smurfs) has just pulled out of its proposed satellite TV channel to be distributed by ECI 1 satellite to cable systems. The regional authority in the Flemish half of the country has not agreed to cable distribution of the channel. Belgium is still in a quandary about its cable policy. The question of what to do with the 10 ECI 1 satellite channels (low power, suitable for distribution of cable channels to cable system head ends) is exercising most European countries.

Experiments

Elsewhere, Sweden is running small cable experiments in the town of Lund (where again the effective cost of connection has had to be lowered to attract customers) and in a suburb of Stockholm. In Norway, a prominent publisher, Dagbladet of Oslo, has bought control of the two largest local cable systems, and is set to become the country's first major independent cable TV operator. Denmark has authorised a wide-band trunk network to connect its local cable systems, but programming remains a debated question: Finland has relative to its size substantial cable systems with a variety of imported programming; Spain is to resurrect two old but intact cable systems in Barcelona and Madrid on which to run cable TV trials; only Italy, scene of a bewildering scene-change in TV broadcasting over the past seven years, seems too preoccupied to worry much about cable.

Through the European Commission the countries of Europe are also seeking common rules for coping with trans-border programming that does not adhere to the principles about advertising, about taste, about programme content quotas at present in force in the receiving country. Thus Europe is and will remain a series of separate markets for cable and satellite programming—but with the hugely important difference that (even allowing for the multiple sound channels on future satellites) the markets are increasingly being defined by language groupings (French, German, English) rather than national boundaries.

Thus the drive for common European technical standards in broadcasting equipment, for text reception, satellites, transmissions, will become time a commercial necessity too strong for existing nationalistic attitudes to resist.

In particular, the city of Paris under right-wing Mayor Jacques Chirac, is planning to run trials, Luxembourg, Monte Carlo and local channels on its cable system, on a frankly commercial basis.

Even the French PTT, in Biarritz, is offering non-French channels (Spanish, Belgian, Swiss) to attract the 1,500 subscribers that it has yet to sign up. Some therefore argue that French cable will be the Trojan horse for a foreign programming invasion of France at the

very time when international distribution to cable systems of both Canal Plus and yet another French channel known at TV5, amalgamating French-language programming from all French-speaking countries into a unified satellite-based TV service, are meant to spread French culture over Europe.

In this complex context it remains to be seen whether the local authorities in each French town can provide the financial basis in terms of programming and services sufficiently attractive to consumers for local cable systems to prove viable in France.

The German approach is as uncharacteristically cautious as the French is characteristically ambitious. West Germany has authorised four pilot trials of wide-band cable TV in the cities of Ludwigshafen, Munich, West Berlin and Dortmund with the help of a subsidy out of the normal TV licence fund. Since broadcasting is under the control of the separate West German Länder or states each pilot reflects or will reflect the local political situation although in all cases the German PTT will be the cable provider.

The trial in Ludwigshafen is due to start in January and appears to be the most advanced in planning as well as the most "commercial" in its policy. But even there the latest news is that the cost of connection to the cable has had to be dropped from DM 400 to DM 125 to help attract reluctant customers.

Initiative

Munich is also reasonably advanced but of the other two trial sites, not much has so far been heard. Meanwhile, Radio Tele-Luxembourg has taken an initiative in beaming from January a special TV programme towards North Germany especially aimed at potential cable distributors—thus illustrating the potential for import of channels.

The situation in Holland and Belgium is in many ways more interesting than in Germany. These two countries already represent the most densely-cabled area of Europe—some 60 to 80 per cent of households being on cable. These systems already carry a diversity of cable channels from both local sources and from neighbouring countries, wherever the language is appropriate. But they cannot originate their own programming, carry advertising, or carry pay-TV—yet. Both countries are still therefore agonising over what to do with this national asset.

Holland has authorised its own new-style cable experiment in the province of South Limburg, for industrial rejuvenation motives as much as broadcasting policy. Three private groups, VNU, Elsevier (both Dutch publishers) and Euro-TV (associated with Belgian publishers Dupuis) have applied to run pay-TV channels based on films on the existing networks.

Rex Winsbury

Despite initial enthusiasm, there is now growing uncertainty over the future of direct broadcasting by satellites, as Raymond Snoddy reports here

Indianapolis sets the pace

LAST MONTH the citizens of Indianapolis became the first in the world to receive a form of commercial direct broadcast by satellite. Five channels including two premium film channels and a sports channel are being broadcast from a Canadian Asahi Satellite.

Although the service is not a true high power DBS service, United Satellite Communications, which is owned by General Instrument, Prudential Assurance and private investors say the pictures can be received with a home dish 2.5 ft to 4 ft in diameter.

Customers will pay a total \$89.95 a month to rent the equipment and pay for the programmes and an installation fee of \$300.

In the same month, Mr Rupert Murdoch's News International group effectively withdrew from the race to introduce a partial form of DBS and postponed the launch of the group's Skyband service until at least late 1995.

The decision to postpone which is believed to have been caused by difficulties with programming and the cost of receiving dishes, was taken despite the fact that News International had leased five transponders on the Asahi Satellite Business Systems satellite at the cost of \$75m.

Major force

Comsat, the satellite communications company and the third major force in DBS broadcasting in the U.S. so far plans to launch its DBS service next year aboard a modified Satellite Business Systems "bird."

Comsat, however, believes the future is in full power DBS and has ordered two powerful "true" DBS satellites for launch in 1996.

In America, although DBS is seen as a high-risk venture there are some commercial organisations prepared to take the chance and go ahead with it. In Europe, the question has become hopelessly tangled with political policy issues, industrial strategy and the search for common standards to create a unified market for receiver equipment.

As a result, initial high enthusiasm has been followed by a pregnant silence with several broadcasting organisations still enthusiastic about the advantages of universal coverage of their populations from space but worried by the costs involved.

A Franco-German company, Eurosatellite, is already building the first direct satellite for direct television broadcasting, TDF-1, ready to be launched in October 1995, on the Ariane launcher.

The French Government, however, has still not announced a firm order for a second satellite which would be needed before a French satellite system could become operational.

This delay has raised doubts about French satellite policy and whether France will be able to meet its stated target of starting satellite broadcasting by 1996.

The position is similar in Germany for whom Eurosatellite is also building a television satellite. The second satellite to make a German system operational has also not yet been ordered.

In France, there is doubt on how the future of satellite broadcasting will fit in with plans for cable television and in Germany the main priority at the moment seems to be satellites for telecommunication. Ireland is looking for partners to mount a DBS service. In Britain, which early this year appeared to be taking a lead in this technology, the uncertainties are even greater.

In March, the BBC signed heads of agreement with Unisat, a consortium consisting of British Aerospace, GEC-Marconi and British Telecom for a three satellite system. For £24m a year, for seven years, the BBC would receive two channels of DBS with one operational satellite, a spare in space and a second back up on the ground.

But as the summer wore on, unease grew within the BBC about the size of the investment and the risk. There was also the fear that the technical standard, C-MAC, recommended by the Part Committee and backed by Lord Whitelaw, the former Home Secretary, might increase the price of receiving equipment and so inhibit the birth of a new market.

To reduce the cost and the risk the BBC offered to

share its satellite system with the Independent Broadcasting Authority.

The offer was to allow the independent television sector to use two DBS channels on the backup satellite in the sky, allowing it to compete with the BBC in space.

The IBA in its turn wanted one of the two channels on the main satellite—something that the BBC felt it could not agree to.

The issue became largely academic when Mr. Leon Brittan, the Home Secretary, announced at the Royal Television Society conference in Cambridge in September that the independent sector could have two DBS channels if it wanted them but that it would be the channel operators, rather than the IBA, who would have to arrange the satellite capacity.

The BBC opened discussions with Thorn EMI to try to put together a joint venture in which the Corporation would reduce its share and at the same time take advantage of Thorn's experience in the television rental and manufacturing market. But Thorn's conclusions on the present potential of the market were pessimistic. Mr John Sibley, Thorn's board member responsible, said he could not recommend a partnership arrangement on present information.

It now seems likely that when the BBC's Board of Governors meet today they will decide they cannot go ahead with the scheduled autumn 1996 start for DBS. A postponement of at least a year is likely until the Corporation is sure that receiving equipment will be available in volume at a price people will pay.

The BBC's decision was complicated by Home Office delay in issuing technical specifications for receiving equipment. Mr Brittan said in early September that he hoped he would be able to make an announcement by the end of that month.

So far he has still been unable to do so. The Government has been having difficulties in defining exactly what the technical specifications of C-MAC with French digital sound should be. C-MAC is a very broad specification and it would be possible to design two different receivers, consistent with the specification but unable to receive the same signal.

The BBC believed that C-MAC receiving equipment would cost between £200 and £300, too high to achieve commercially viable market penetration.

The independent sector's view into space has changed greatly since the summer. There was a strongly held view that if the ITV and BBC were going to run a satellite service it had better start at the same time as the BBC.

Division

Now some companies—the 15 ITV companies—are deeply split about the wisdom and desirability of DBS. Some think it might not be a bad idea if the BBC created the market for them.

One aspect that the ITV companies are united on is that if they are going to make the case of investment required by DBS, their current terrestrial franchises would have to be extended beyond their present expiry date in 1998.

But although the recently published Cable and Broadcasting Bill proposed that the statutory life of the IBA would be extended to 2001 to regulate the first independent sector DBS franchisees, there was no mention of extending the franchise life of the ITV companies which would also require legislation.

As both the BBC and the independent television sector move towards DBS decisions which could have an enormous influence on their future they will probably pay very careful attention to the Home Secretary's words to the Royal Television Society.

He made it clear there would be no Government money to bail out anyone who made a mistake on DBS.

The essence of Government policy would be to create opportunities but not to press anyone to take them against their better judgement.

This, Mr Brittan said, applied just as much to the BBC project. We have made it clear that we would not urge the BBC to continue with the project if it came to entertain serious doubts about its viability.

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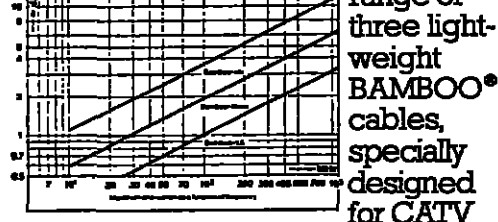
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THE ARTS

Moll Flanders/Croydon

Martin Hoyle

Be warned: the Christmas show at Croydon Warehouse is not for the children. Described as "bawdy adventures through the vibrant underside of the 18th century," this is Claire Luckham's dramatisation of Defoe's heroine. "12 years a whore, five times a wife (once to her own brother) and eight years a thief," Goody Two Shoes she isn't. What would Miss Luckham make of *Mother Goose*?

A company of six, two doubling on a variety of musical instruments, people Mike Bearish's lowering townscape with thieves, parsons, highwaymen and assorted lechers. A Brechtian approach to the audience sets the scene in Queen Anne's London, the centre of burgeoning capitalism where the Bank of England is mentioned in the tones usually reserved for the Bastille.

Money, not sex, is the motive force of Moll's career. Disparagingly referring to herself as a whore, she is no more amoral than the Good Woman of Szechuan, and just as much subject to economic pressures. Newgate's grim wall lets down into a double bed and a frolicker rubber-stamps SEX on his partner's buttocks in the first of several demonstrations of "sex as a monetary transaction" or "sex in marriage." Adventurers of both genders hoodwink one another into mercenary marriage to inevitable disillusion.

If this sounds didactic, Sue Pomero's direction whizzes

through a breathless amount of sheer adventure, tossing the narrative ball from one character to another as each moves from stage to stage. Teller and back, "Robert fell ill and died," says his mother sharply, to the visible crossness of that young man who stumps off like the player of a children's game caught out. The language is chitlun modern. This is not a BBC TV classic adaptation for Sunday tea-time.

Unflagging impetus leads to an exhilarating Act 1 finale when Moll meets the valedictorian Beggins taking the waters to a close-harmony broog-woog chorus of bath attendants ("blubbery - blub blub, drip drip"). Act II is wordier, and Moll's career passes through enough false endings to make one aware of the bench beneath her own feet. By then Cheryl Kennedy's saucer-eyed heroine shows signs of flagging though earlier her demure, almost sexless, bemusement, is endearing.

Trevor Allan's direction of Chris Monks's music (discreetly growing out of the action, never imposed on it) adds to the pleasure; and Paul McCleary, Irene MacDonnell, Angela Wyndham Lewis and Alan Barker populate the stage in Hogarthian—and even Gainsborough-like—amplitude. As an antidote to the forthcoming child-fest it makes a cheerfully astringent night off for the adults.

Joan Rodgers/Wigmore Hall

Max Loppert

Miss Rodgers is the latest bloom of quality to emerge from that notable hot-house of singers, the Royal Northern College. Although she is heard as Pamina at Aix and the Coliseum, and a touching Xenia in the new Royal Opera Boris, she is a performer of charm and delicacy, filigree good looks, and a most attractive light-lyric soprano, pure and unforced yet with hints of vibrancy to add fragrance to the line. As a recitalist (on Tuesday night) with Roger Vignoles (piano), it seems that she is a bloom still in bud: though the singing in five languages was by and large as accomplished and sensitive as one might have expected, the overall impression was a touch faint.

The opening Mozart group found out traces of nervousness in the tendency of passing notes to flatten. Once this fault had been largely overcome, one could enjoy the clean outlines of Debussy's *Arctique oubliée* without ever worrying that the singer was trying to overload them with studied applications of "meaning"; and enjoy even

more a Schubert selection (especially "Die Sterne") for the radiant freshness of sound and word-utterance. Yet some element was lacking, a pressure, distinct personality on the phrasing, a sense of unfettered grasp of an audience—and without it the character of each song tended to come out rather more similar, and rather more restrained, than could have been intended. The artistry was unforced, and that was welcome, but it was incomplete. In the second part, Miss Rodgers, a Russian honours graduate, sang Britten's Pushkin cycle *The Poet's Echo* and three Rakhmaninov songs with much of that very freedom missed earlier; and the easy flow of tone in Britten's "Night-ingsale" and the "Rose" (the cycle's mysteriously beautiful centrepiece) and Rakhmaninov's "Lilac" carried its own appeal. So it did in Walton's three sitwell songs, though here again a more forward delivery might have made them seem less tedious. One looks forward to Miss Rodgers's full emergence as a recitalist—no doubt only a matter of time.

Rostropovich festival plans

Mstislav Rostropovich has announced details of the Second Rostropovich Festival to be held at Snape Maltings Concert Hall, Suffolk, between August 9 and 12 1984. The eminent cellist-conductor plans to include the first British performance of Paderewski's *Cello Concerto* and it is hoped that

the composer himself will be present to conduct. Following its success this year, Rostropovich will once again conduct the highly acclaimed young Britten-Pears Orchestra in a performance of Shostakovich's *Fourth Symphony* with Galina Vishnevskaya and Stafford Dean.

Abbacadabra/Lyric Hammersmith

Michael Coveney

The Lyric in Hammersmith can usually be relied upon to come up with an original idea for a Christmas show, and this colourful video rock musical based on the songs of the Swedish group Abba and incorporating elements of *The Wizard of Oz* and *The Sleeping Beauty* is certainly that.

It is at least refreshing, after *Blondie* and *Jean Seberg*, to see a musical which not only shimmers with nuggets of the contemporary pop idiom but also gleams with a design rooted in the tubular steel hardware of the video cassette culture. Once the three schoolchildren have plugged their video game into the class equipment, the stage clears to reveal an enchanted

forest of space age catwalks and silver spirals, of TV screens and hanging neon lights.

The children are joined by Cinderella (Finola Hughes), Aladdin (Michael Praed), Pinocchio (Sylvester McCoy), and the Beast (B. A. Robertson). They set off to find the Sleeping Beauty's wedding party and run into opposition from the wicked witch Carabosse and her team of zoot-suited crows.

The original video show was written by the French team of Alain and Daniel Boulbail, but the impresario Cameron Mackintosh, who has joined forces with the Lyric, has brought in David Wood to write the story and Don Black to provide lyrics. The Act 2 opener,

with the three kids wishing they were back home to the music of "Fernando" was the collaboration at its best. Otherwise the platings of songs is oddly unrelated to the action and there are long passages of Peter James's production in the first half that are dangerously inert.

Still, once Elaine Paige hits her stride as Carabosse, the show takes off, as she undergoes a series of impressive transformations from the dowdy schoolteacher of the first scene, to a punk-haired Queen of the Night with a pulsating line in home video cabaret. The magical resolution finds the Sleeping Beauty (Jayne Leigh Collins) descending on a star-guard bower to be welcomed by B. A.

Robertson switching his coat for the romantic rescue act. Ex route, we have Phil Daniels as a belching, bleating robot up to his ears in technological hardware phoning home to Carabosse the latest progress reports, Pinocchio having his elasticated strings pulled by the crows, and Miss Paige setting the stage alight as she sings hell for red leather. The splendid design is by Jenny Tiramani, the imaginative and colourful costumes by Sue Blane. Abba fans will spot "Money, Money" as accompaniment to Miss Hughes's big dance number and a winsome finale modelled around the latest hit, "Thank You For The Music".



B. A. Robertson and Elaine Paige: shimmering pop and gleaming design

Cavaceppi's studio

The Bowood Diskobolos

Bartolomeo Cavaceppi/Clarendon Gallery

Conservation versus restoration

There is a curious subject known as the ethics of conservation. The somewhat off-beat exhibition at the Clarendon Gallery on Bartolomeo Cavaceppi (until December 23) brought it to mind. It is a problem, of course, we are faced with today as our approach to artefacts from the past becomes increasingly more complex.

At one time the battle raged around pictures, in the main, and what restorers should or should not do to them. It is not a field I am qualified to pronounce upon, but the evidence of the eyes is enough. In Italian picture galleries all later restorations are removed from pictures and we are often presented with totally blank areas of panel or canvas. In general, in this country, a picture is made to read more forcefully as a whole.

This elementary dilemma about what is permissible to put back has even spread now to the interiors of country houses and embassies. Does one leave the statue quo, recognising that successive centuries have made their contribution, or should later accretions be torn out and the original restored? In extreme instances, even the furniture, let alone the fabrics have to be remade. The battles raging around this topic are at present almost as fear-

some as those surrounding the initial efforts to save an artefact in the first place.

And this brings me back to the exhibition on Cavaceppi, whose subtitle is "Eighteenth-century restoration of Ancient Marble Sculpture from English Private Collections." I said that the subject-matter was rarefied and it is, for we are asked to consider some 22 antique statues that came to England by way of Cavaceppi. Not only did he deal in them but, more to the point as a sculptor, he maintained virtually a factory for restoring, and even forging, them. English milords had no taste for fragments, and what we peer at are antique statues with additions and, in some instances, more addition than fragment.

No moral crisis bothered the 18th-century restorer. If something was missing, it was put back. The Diskobolos from Bowood makes the point neatly. Discovered in 1772 at Ostia it took four years to restore. Gavin Hamilton, who found it, wrote to Lord Shelburne: "The legs and arms are modern, but restored in perfect harmony with the rest." Cavaceppi had decided that the torso was Diomedes. He joined to it an antique head probably of a Gaul, and went on to place in the left hand an image of Pallas which

Diomedes together with Odysseus had made off with from Troy.

Looking at this exhibition one is forcefully reminded of what an appalling time scholars of classical sculpture must have, trying to discount these accretions and re-workings. The entry on restoration under the Duncumbe Diskophoros goes on for ten lines: "most of right ear, rim and lobe of left ear, nose, mouth and chin... right hand from wrist... right foot (recut?) broken at ankle... the head is ancient, but did not originally belong to this figure."

For well on half a century Cavaceppi supplied collectors all over Europe with statues of this type, besides vast numbers of casts. The English led the field as clients and this exhibition reminds us powerfully of a mental and visual make-up of the mind which is now virtually lost. Our visual mythology is littered with European artists in the main since the renaissance as our points of reference. Up until the breakdown or destruction of the classical tradition in the west that was made up of precisely the marble images we see here. This is a sad reminder of our own ignorance. These were the most prized items in the golden age of country house building when Cavaceppi's and his colleagues formed the crowning glory of Holkham, Newby, Ince

Blundell Hall or Bowood. Prices way in excess of those for major paintings were paid for these statues which arrived in the second half of the 18th century in hitherto unknown quantities. What is stunning too is the breadth of their geographical distribution with two major collections north of York.

Together these marbles encapsulate not only an episode in taste and interior decoration but of attitudes to the treatment of the artefacts of the past. It raises intriguingly wider issues which have yet to be explored in a general or exhibition context. For those who actually believe that seeing is believing it is a salutary lesson. For years restoration was little more than a side-line for the practising artist as any reading of van der Dord's catalogue of Charles I's collection, or the notebooks of Western renaissance, at some time the balance changed. In an age before conservation ethics and the invention of photography there is no way of knowing what a restorer did. I still vividly remember dining with a certain nameless pillar of the craft and, on admiring a charming little dog in an Elizabethan portrait, being told "Oh, I'm so glad that you like it. I put it in this morning." Cavaceppi would not only have understood but approved.

ROY STRONG

Webern Cycle/Barbican Hall

Dominic Gill

It is not perfectly clear why these two concerts by the Vienna Philharmonic Orchestra are tagged on to the end of the International Webern Cycle. The first concert on Tuesday night offered only one Webern work which had not been played already by the LSO during the series; and the second, last night, contained no Webern at all. The Vienna Philharmonic were—ironically—among the last of the European orchestras to take up Webern's music; and the lack of experience (as well as enthusiasm) shows.

Their conductor for the visit is Zubin Mehta, who is not either a noted Webernian—although the Six Orchestral Pieces op. 6 are one of his familiar turns with his other

orchestras, and he gave them on Tuesday a well-made and richly coloured performance, even if it had little of the glittering energy which Abbado and the LSO had imparted to the earlier, fuller-scored version of the cycle. The rest of the Webern was merely shoddy: a smudged and muddy account of the Passacaglia op. 1, and an uncomfortable, ill-tuned reading of the restless little 10-mix/te symphony op. 21.

Relinquishing Webern as quickly as decently possible, the Viennese turned to a composer closer to their heart, and to a magnificent display of the sound for which they are justly famous. In Schubert's Ninth they ran the gamut complete: huge, creamy violin tone; mas-

sive, radiant lower strings; woodwind deliciously plangent; soulful brass; the phrasing in every measure lusciously smooth. In other musical respects the performance was unremarkable, but on one striking aural ravishment pure and simple can have left unmoved. A review of last night's performance will appear in tomorrow's paper.

Schlondorff to head film jury

West German film director Volker Schlondorff, whose films include *The Tin Drum* and *The Lost Honour of Katharina Blum*, will head the jury of the eighth Montreal World Film Festival next August.

Commission scheme for women's plays

The Women's Playhouse Trust and Methuen have announced a unique co-commissioning agreement whereby women writers will be contracted to write plays for a major London stage.

The first commission has been awarded to Louise Page, joint winner of the 1982 George Devine Award for her highly acclaimed *Salonica*. Others to follow shortly, subject to contract, are Sarah Daniels, Claire Luckham and Pam Gems.

The Women's Playhouse Trust was formed in 1981 with the intention of buying a central London theatre where a repertoire of plays could be performed, giving particular emphasis to the work of women writers, directors, designers, technicians and administrators.

Arts Guide

Exhibitions

LONDON

The Hayward Gallery: Raulo Dury — a timely reminder that this hero of countless chocolate boxes and post cards, the acceptable face of modern art, was not only a significant painter but a Fauvist of peculiar character, a follower but no slave of Matisse, who later developed into a decorative artist of the first importance. His elegantly perfunctory notation, and his characteristic imagery — white sails in the bay, palm trees below the balcony, bright silks against the apple green of the race-course, have been taken up and broadcast endlessly by lesser talents. His fabric designs and tapestries are especially remarkable in a beautiful and necessary exhibition. Ends Feb 5.

The Hayward Gallery: Hockney's Photographs — a brisk survey of Hockney's practical use of the camera from simple reference and side-memoire to photographic exercises. This latter aspect developed slowly but has speeded considerably in the past 18 months. The composite photographic image is no longer just a simple still life or portrait study, but a strange and intriguing image of an event, a sequence of action, a passage of time. Ends Feb 5.

The Hayward Gallery: The Genius of Venice — we are treated to a show in the grand old manner of the Royal Academy's Winter Exhibitions. It treats us to exclusively the painting and, to a lesser extent, the sculpture, that Venice produced in the

16th century. If Bellini and Carpaccio are known more by their absence, since the panels now are just too fragile to travel (though the Lion of St Mark's is Carpaccio's), there is no doubt that the Venetian school, from all over the world that compensation is hardly the word. So, from the shadowy, speculative presence of Giorgione in the beginning, to the casual extravagance of Titian, to filling the lecture room at the end, and in between the great spaces of the Academy filled with Titian, Veronese, Bassano, Lotto, et al, we are indulged in a way unlikely even to be repeated in our time, if at all. Ends March 11.

BRUSSELS

15th Century drawings from Belgian private collections — 100 drawings including Jordans, Tenison, van Goyen, Teyssie, Poussin and Fragonard. Société Générale de Banque. Ends Dec 21.

PARIS

Raphael — Three exhibitions pay homage to the great Renaissance painter — born 500 years ago. The Grand Palais assemblies, for the first time, most of the paintings and drawings from French museums, among them Le Petit Saint Georges, La Belle Jardinière and Bathazar Castiglione's portrait. Another exhibition shows Raphael's influence on French art from the 16th century to the present. Grand Palais (2151410). Closed Tue, Wed late closing. Ends Feb 13. The Louvre completes the anniversary celebrations with an

exhibition of the most brilliant of Raphael's collaborators, among them Giulio Romano, and of his disciples. Louvre, Cabinet Des Dessins (260 3326). Closed Tue. Ends end of Feb.

Balthus — in collaboration with the Metropolitan Museum 50 paintings and as many drawings are shown in the selective painter's first retrospective revealing a universe peopled with adolescent girls and cats in an atmosphere of troubling innuendoes. Centre Georges Pompidou. Closed Tue. Ends Jan 23 (277 1233).

Cyclades Art from the N. and D. Goulandris Collection — more than 200 remarkable items dating from the third century B.C. are being shown at the Grand Palais before returning — definitely — to Athens. Grand Palais (ends Jan 9 1984). Closed Tue, Wed late closing night 10 pm (281 5410).

Ends Jan 8, 10am to 5.40pm. Closed Mondays.

Friedrich — The German romantic painter's work viewed in Wagner's music at the Centre Culturel de Paris (272 7327). Ends March 11.

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dalí, Bacon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalia Goncharova. Ends Nov 27.

Kennedy Galleries (40 W. 57th): 40 American artists covering three centuries and various genres, from Copley portraits to Barnett's tromps foell and Prendergast's lyrical figures, comprise a show that sketches from the Colonial period to the Armory Show of 1913. European influence is noticeable throughout, but usually with an American perspective that gained confidence and individuality with the country's development. Ends Dec 30.

Manet (Metropolitan Museum of Art): Almost 200 important paintings marking the 100th anniversary of the artist's death are included in the most comprehensive Manet exhibition for nearly a century. Ends Nov 27.

CHICAGO

Museum of Contemporary Art: 46 paintings of Suprematist Malcom Morley trace the British-born painter's style from his origins in abstract works through Pop art to the ocean liners based on postcards that show the photo-realist influence of his self-styled Suprematism. Organized originally by the Whitechapel Gallery in London, the show includes recent pastoral landscapes with beach scenes and animals. Ends Jan 22.

WASHINGTON

National Gallery: Art of Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tezozotzil, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man in order to keep the sun moving across the sky and the cosmos working. Ends Jan 8, 1984.

Hirschhorn: Direct Carving in Modern Sculpture is a cleverly assembled show from the museum's own collection of works by Brancusi, Gauguin, Hepworth, Moore, and Noguchi, among others, showing the tactile direct technique as revived in the late nineteenth century and used even today. Ends Nov 27.

National Museum of Natural History: The Precious Legacy contains 350 secular and religious Jewish objects the Nazis preserved in Czocholovka for a "Museum of an extinct race", covering five centuries of gold, portraits, textiles and other crafts from the collection of the State Jewish Museum in Prague. Ends Dec 31.

Hirschhorn: 136 works by 82 European and American 20th century artists illustrate the contemporary theme of Dreams and Nightmares for Society. Staged to usher in Orwell's *1984*, the exhibit runs the gamut of artists from Russian constructivists with their misguided dreams to a large sampling of American and German artists affected by the century's wars. Ends Feb 12.

WEST GERMANY

Hannover, Wilhelm Busch Museum, 1 Georgengarten: The first venue of the roving exhibition with 176 etchings and lithographs by George Cruikshank, the British cartoonist. Ends Jan 8.

Bonn: Rheinisches Landesmuseum: The most comprehensive exhibition of contemporary U.S. art ever shown in West Germany. It features works from the 1970s and 1980s by nearly 50 artists representing such styles as pattern and decoration, new image, new wave, new expressionism and graffiti. Ends Jan 15.

Berlin, Martin Gropius Bau, 110 Stresemannstrasse: The Federation of West German Artists is showing the work of 300 contemporary painters to document artistic trends. Ends Jan 9.

Hamburg, Kunsthalle, Glockengießerwall: Luther And The Consequences for The Fine Arts has 540 graphics and paintings from the Reformation to today illustrating the great reformer's impact on many artists. Ends Jan 8.

Hamburg, Kunsthalle, Glockengießerwall: More than 120 drawings, watercolours and gouaches from between 1910 and 1955 by Fernand Léger. Ends Jan 1.

Frankfurt, Südk, 63, Schaumainkai: The centenary of Max Beckmann, the outstanding German expressionist, is marked by 180 works from 1915 to 1933. Ends Feb 2.

Baden-Baden, Staatliche Kunsthalle, 8a Lichtenstaler Allee: 20th century art including paintings and sculpture by Mondrian, Miro and Beyer. Ends Jan 6.

Hamburg, Altonaer Museum, 22 Museumstrasse: "American Folk Art" has 200 paintings, drawings, textiles, ceramics and sculptures from the 18th century to date by U.S. artists. Ends January 15.

ITALY

Milan: At the Chiesa delle Grazie there are 100 pre-Raphaelite and Neogothic paintings for church windows.

Venice: Palazzo Ducale, 7000 years of China exhibition. Ends Dec 31.

Museo Correr: Titian's engravings on show. Palazzo della Prigioni: exhibition of works by Massimo Campigli.

HOLLAND

Irish Culture from 3000 BC to 1500 AD in Amsterdam's Rijksmuseum until Feb 28. The Book Of Kells, the most magnificent illuminated version of the gospels in Europe, is joined by a hoard of bronze, silver and gold treasures, all finely wrought and many of them encrusted with jewels — a reminder that long before its present troubles, Ireland had its Golden Age and was the last repository of Western art and learning to fall to the Vikings.

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Thursday December 15 1983

Big test for Mr Marcos

The renewed presence of a team of experts from the International Monetary Fund in Manila this week serves to underline the serious problems facing the Philippines. Since the murder in August this year of the popular opposition leader, Mr Benigno Aquino, on his return from exile in the U.S., both the economic and political situations have taken a sharp turn for the worse.

The crisis of confidence caused by that event has made it all the more difficult for a financial rescue operation to be mounted by the IMF. International commercial banks and friendly governments such as the U.S. and Japan, which would meet the Philippines' huge requirements.

The negotiations, to the consternation of the Philippine authorities, have been progressing very slowly and it may take many more weeks before they are finalised. IMF officials and international bankers have shown their usual meticulousness in their examination of the willingness and capacity of President Marcos's government to administer the stringent economic medicine which is a condition of their new loans.

Their customary caution has been compounded by an uncertain political climate in the Philippines, which has already begun to sap Mr Marcos's regime, and which could eventually lead to an unstable situation in which it would prove impossible to apply tough economic measures.

Chink in armour

The assassination of Mr Aquino and a widespread lack of confidence in the government's management of the economy has spawned a middle-class and businessmen's protest movement in favour of political reform, which has led to a number of impressive mass demonstrations.

It is clear that this "revolt" has not yet found an echo in the urban working class nor, even less, in the agricultural community which forms the backbone of the country. But it is the first chink in President Marcos's armour.

The combination of the domestic political furor caused by the Aquino assassination and the Philippine creditors' understandable desire to obtain some guarantees that they will not

be pouring money into an unstable country, has persuaded President Marcos to make some political concessions, however inadequate.

Some reforms have been made in the electoral system which, it is hoped, will encourage the opposition parties to participate in next May's legislative elections, though that by no means a foregone conclusion.

In reply to persistent demands that provision should be made in the constitution for a clear presidential successor in the event of the present incumbent's demise, President Marcos has given a little ground. A constitutional amendment, due to be voted on next year, will re-estate the office of Vice-President, though not until after the President's death or, if he completes his term, not until the next presidential election in 1987.

More fundamental steps towards a restoration of democracy are clearly desirable, both from a domestic point of view and because they would help to bolster international confidence in a regime with a tarnished reputation.

In the present critical situation, however, the first priority must be that the authorities and the people should look at economic facts in the face.

The official estimate for the country's total foreign debt was recently revised upwards from \$18bn to \$25bn. Some independent economists consider that it is more likely to be in the region of \$30bn.

There has been a regrettable tendency in Manila to believe that the package of loans totalling \$3.9bn over the next year, currently being put together by the IMF and the commercial banks, will solve the country's economic problems at one stroke.

That is clearly an illusion. The day when the IMF and the banks finally approve their respective loan packages of \$650m and \$1.65bn will merely mark a new stage in President Marcos's problems.

The austerity policies which the Government will be expected to apply are likely to be particularly severe and will have to be applied for a lengthy period to be effective. They could provide an even bigger test of President Marcos's capacity to survive than the murky affair of Mr Aquino's assassination.

The ratepayer's burden

THE ANNUAL rate support grant settlement is always a gloomy day for ratepayers. It is the early warning bell, at the height of the Christmas spending season, that savings are in order for an even gloomier day next spring—the arrival of the rate bill on the doormat.

Yesterday was no exception. The complex of myriad targets, grant assessments and penalties boils down to a simple message for English ratepayers: very few councils will be able to levy a rate for 1984-85 below the rate of inflation and many councils, particularly in urban areas, will require substantial increases even if they make painful cuts in manpower and services.

One problem for councils and therefore their ratepayers is the persistent tightening of the cash targets and the increasingly severe penalties exacted for overshooting. These targets are not consistent one year with another, bear no resemblance to the Government's benchmark of how much councils need to spend to achieve a standard level of services any year on the basis of previous year's budgets.

This means that the more prudent a council has been in previous years, the lower its new target becomes and the harder it is to avoid penalties by hitting it. Some low-spending, pennywise councils face large penalties and impossible targets next year, implying hefty rate rises. Some high-spending councils which have consistently increased their budgets and balances seem to be in relatively healthy positions and could most easily trim back. This destruction of the link between expenditure levels and rate increases is the most regrettable aspect of the Government's approach to local spending. It is now an issue of such concern that the Audit Commission has launched its own independent inquiry into how and why it has happened.

But this is not the end of the problem. Local authority current expenditure in 1984-85 will be something over £20bn. The main burden falls on domestic and non-domestic ratepayers. Yet the accountability which should work through voter response to spending and rating levels has also been weakened because domestic

ratepayers now shoulder less than 15 per cent of the total burden; many in high-rated urban areas escape the pain through rate rebates and every domestic rate bill is cushioned with a subsidy of 18.5p in the pound at a cost of nearly £700m a year, which rises to around £1bn when the unjustifiable exemption of farmers from rates is included.

The most welcome element of yesterday's settlement is the further slight reduction in the proportion of council spending to be funded by central government grant, down to 52 per cent from 52.8 per cent last year and a high of 66.5 per cent in 1973-76. But even here the improvement in accountability which should follow from throwing more of the burden of local spending decisions into the local arena is distorted, both by penalties and by skewing the cash share-out each year in favour of Tory shire councils (presumably in the hope of softening their opposition to rate limit legislation).

Narrow base

The depressed urban heartlands, largely Labour strongholds, fare badly. The Greater London Council is left to provide all its services for 6.7m people solely at the expense of ratepayers except for some grant for police services and a low level of support for transport. The entire education service for inner London's 2.3m people is similarly funded solely by ratepayers. This is hardly a suitable approach to the financing of the capital and of whose infrastructure and services can be regarded as national rather than local assets.

The Government cuts have taken £3.6bn of grant away from councils since 1978-79, but this is not the end of the problem. The total grant loss is the equivalent to 4p in the pound on income tax and the Government is less than just in not admitting that this switch in tax burden from central to local is at least partly responsible for rate rises.

The rate base is simply too narrow and the number of payers too few to support the burden. The interests of ratepayers can be best served by making more people pay the real cost of the service levels for which they vote.

THE regulation of total spending matters in every economy. If total spending rises too quickly there is inflation; if it rises too slowly there is deflation and the risk of unemployment.

The various measures of the money supply are important mainly because they are thought to be indicators of, or influences on, overall spending. The main mechanism for controlling monetary growth, in the UK and some other countries, is interest rate variation.

While this much is common sense, it is far from clear which is the best measure of money to monitor for the purpose. A common experience has been that as soon as one measure is chosen as a target, it ceases to be a good guide because of changes in the financial system.

It is important to avoid making bad mistakes here. For the credibility of monetary strategy is no mere technical matter: it depends in part the chances of continued growth without a reacceleration of inflation.

Because of these unresolved problems something of a stir was created when the Chancellor, speaking at the Mansion House in October, canvassed the virtues of a hitherto untargeted measure of money, namely "M1"—notes and coins plus banks' till money and working balances at the Bank of England.

The sentence which caused most stir, despite qualification about "not taking any distinction too far in the real world" as follows: "There is some presumption that the narrower aggregates might have particular relevance for short-term interest rates while the broader aggregates might be more relevant for decisions about fiscal and funding policy."

Since then, top level nerves have been twitching. City pundits noted that the Governor forebore to mention M1 in his own speech. The car on the June Bank of England Bulletin stressed the need not to become hooked on any particular money supply indicator or indicators.

Some of the key issues are discussed below. What are the attractions of M1 for the Treasury?

The Treasury is interested in tracking two main magnitudes: transactions balances, also known as narrow money, which are thought to be related to spending; and a wide measure of liquid assets, known as broad money, which the December Progress Report defines as "assets which could be converted with relative ease and without capital loss into spending on goods and services."

The present Medium Term Financial Strategy operates in terms of two measures of broad money, PSL2 and Sterling M3, and one measure of narrow money, M1. The target for all three is 7 to 11 per cent growth per annum, due to go down to 6 to 10 per cent in 1984-85.

The line of succession to the chairmanship of the Hongkong and Shanghai Banking Corporation seems to have been settled in favour of William Purves, currently executive director in charge of group banking business. It was announced yesterday that Purves will become the bank's deputy chairman when Peter Hammond retires in May next year.

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Wardley, in particular, made

ECONOMIC VIEWPOINT

Why monetary nerves are twitching

By Samuel Britten

GLOSSARY OF MONEY TERMS

Initials	Names	Approximate definition	Amount £bn (Oct. 1983)
NARROW MONEY (Money held predominantly for spending)			
—	Cash	Notes and coin held by public	11.5
Mo	Monetary Base	Cash plus banks' till money and operational balances at Bank of England	12.8
NIBM1	Non-interest bearing M1: "Retail M1"	Notes and coin plus non-interest bearing private sector sight deposits at UK banks	30.5
M1	M1	As above, but including all private sector sight deposits	42.0
M2	Transactions balances	Notes and coin plus all private sector deposits in banks and building societies held for transaction purposes (ie, less than £100,000)	112.4
BROAD MONEY (Money held for spending and/or as a store of value)			
EM3	Sterling M3	Notes and coins plus all sterling bank deposits held by UK private and public sectors	160.3
PSL2	Private Sector Liquidity (wide definition)	Notes and coins, plus private sector sterling bank deposits, plus holdings of money market instruments (eg, Treasury bills) plus short-term building society deposits and National Savings	162.3

VELOCITY EQUALS NOMINAL GDP DIVIDED BY MONEY SUPPLY. THEREFORE NOMINAL GDP EQUALS MONEY SUPPLY TIMES VELOCITY, irrespective of how money is measured.

more than at present. There is a set procedure for examining deviations from target in all the monetary measures in which the behaviour of the exchange rate is among the factors examined before corrective action—which is not automatic—is taken.

What are the Bank of England's objections? An article in the December 1982 Bank Bulletin found the demand for cash falling more than expected, and the demand was seriously over predicted in the latest three years.

But a purely statistical regularity, over one or even two decades, is an inadequate basis for official targets. What can policy-makers do if M1 is rising too quickly, assuming that sterling and other evidence support the case for restrictive action?

They can influence cash holdings indirectly by, for instance, raising interest rates so that people economise on cash and move into interest-paying deposits. The Bank Paper just cited did not find the interest rate a particularly effective policy.

But my remaining hair stands on end at the thought of policy being determined by the rapidly shifting findings of econometricians. As Keynes (himself a Wrangler) remarked: such findings are "as imprecise as the initial assumptions" which they rest," and "which allow the author to lose sight of the complexities and inter-dependencies of the real world in a maze of pretentious and unhelpful symbols."

I do not like to see the Chancellor being used for intellectual experiment (even his own) for which he will be left carrying the can long after the

authors of the equations have revised their relationships and shifted to something completely different. What is the difference between M0 and notes and coins? Notes and coin in the hands of the public ("cash") do indeed make up 91 per cent of M0. Notes and coin help by banks as till money constitute another 8 per cent of M0, and banks' balances with the Bank of England the final 1 per cent. These balances can of course be converted at will into cash.

Are there any practical objections to the use of M0 rather than plain cash? Even cash holdings are quite volatile from month to month, but M0 is still more so because of sharp fluctuations in bankers' balances.

So the dangers of going by one month's or even three months' figures need even more underlining than usual. In addition to the delays in diagnosis, there will be further delays before corrective action takes effect. It will take some months before M0 reacts to a change of interest rates—and the correction will often spill over into the next target year by which time the problem might be different. All these complications will at best sow confusion, at worst, undermine credibility.

What would the Bank of England prefer? The precise division between the output and price effects is not in the Government's control, but does depend currently on the expectation of wage bargainers about future policy.

Would you give up monetary targets altogether? Let us start from the fact that for good or ill we do not have a monetary base system and the money supply is not controlled directly. The instruments of policy are variations in public

sector borrowing, funding (that is, sale of government securities) and Bank of England management of short term interest rates.

The operational need is for a guide to the use of these instruments. It is, of course, far from simple to predict the effect of, say, interest rate changes, which in turn affect the exchange rate, on Nominal GDP. Some presumptions about how a range of monetary measures should move are certainly useful. But they should be benchmarks, departures from what should be analysed and explained, not targets to which the Government is committed.

Is not too much political capital invested in monetary targets to adapt the Government's strategy? The timespans of imagination will do the trick. All that the Chancellor needs to say in his Budget Red Book—but prominently and not in a footnote—is that deviations from the monetary objectives would be judged in the light of the presumed behaviour of velocity.

The one economic innovation for which the Thatcher Government has a chance of being remembered is the Medium Term Financial Strategy. But if that is to establish its full credibility, it must be stated in terms of an objective which makes sense.

Over three of four years ahead we can be pretty confident that there will be no close prediction of the candidates offered as measures of Money and Nominal GDP. This being so, would not the best course be for the Chancellor to set his medium and long-term objectives in terms of what he is actually trying to regulate? If he did that, I would not lose any sleep over how exactly he chose to spell out the details of the strategy for one year ahead.

Very few economists, and almost no government advisers, believe there is a direct line from money to prices. A slowdown in the growth of Nominal GDP first affects the real output component and later affects prices, while output recovers. The precise division between the output and price effects is not in the Government's control, but does depend currently on the expectation of wage bargainers about future policy.

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The Chancellor of the Exchequer, Nigel Lawson, has canvassed the idea of a new target for narrow money. He has sparked off a surprisingly lively debate.

Men & Matters

Heir apparent

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Wardley, in particular, made

some large and, with hindsight, decidedly imprudent loans during that period, some to property companies which are now in liquidation.

If Purves does succeed to the bank's chair in 1986, he will inherit one of the most remarkable, and expensive, buildings in the world as his headquarters.

The new Hong Kong Bank building, now rising to its eventual height, already dominates Hong Kong's central business district. So dramatic is the steel skeleton—designed by Norman Foster—that locals are gradually becoming even more impressed by its appearance than they are by its HK\$5bn cost.

Kilts provided?

The Republic of Ireland and Scotland are slugging it out too for whatever new high-tech industry may be seeking grants and a home these days.

Scotland with a strong array of electronics companies already, has argued for years that its rival across the Irish Sea (now also a fast-growing electronics manufacturing centre) really could not provide the skilled manpower needed for high technology.

The Republic responded with a crash programme of high-tech training in schools and further education institutions.

The Irish policies have now proved their worth. In Dublin a half-page newspaper advertisement has appeared offering jobs for workers skilled in high-tech mysteries: "Have you ever been across the sea to Scotland?"

The advertisement has been placed on behalf of Scottish companies seeking to recruit Irish staff.

Posted profits

After Guernsey's parliament debated the toughest budget proposals for years yesterday the



"He marks the sterling price in the money market"

two representatives from Alderney attending were given a pleasant surprise.

A cheque for £50,000 made out to the States of Alderney was handed over to the tiny dependency's "chancellor," John Winckworth, by the head of the Guernsey post office board, Roy Le Prevost.

The cheque represents profits from the first set of 12 Alderney stamps issued last June.

After lengthy discussions between Guernsey and Alderney, which wanted to run its own postal service, it was agreed that Guernsey should issue definitive and commemorative regional stamps for Alderney—and hand over the profits less administrative costs.

The new stamps have put Alderney on the map for the first time for many people outside the islands. The 13p value used for letters to the British mainland shows the island's geographical position in relation to Guernsey and to France.

Indian file

Ten years after the idea of a people's car was taken up by Sanjay Gandhi son of the Indian Prime Minister, Suzuki

800s are now slowly rolling off the production lines at the government-owned Maruti factory outside Delhi.

This is the first completely new car to be launched nationally in India for some 30 years.

The political controversy that has surrounded the Maruti plant was dispelled by Japanese efficiency as Mrs Gandhi inaugurated the factory yesterday.

The imported management style decrees the recruitment of shopfloor workers with an average age of 20 who have not worked anywhere else before, common grey overalls, physical exercises every morning, and prompt time-keeping.

Company president, Osamu Suzuki, says it is "difficult to have a good operation in India" but seems to believe it can be achieved providing the Indians do not expect to make too many of their own components too quickly.

Suzuki was the first of more than 2 dozen Japanese companies in the past two years to recognise the potential of India's market. "We have closer links of philosophy and religion with India than we have with Europe or the U.S.," Suzuki says.

On the meter

"Now, Perkins. I see from your expenses sheet that on the 24th, while entertaining a client to lunch you downed three dry Martinis at 5-minute intervals before lunch..."

Oh, the shame of exposure. But in Switzerland those who lunch and dine on expense accounts already risk such close scrutiny of their indulgences.

Restaurants are now entering upon their computerised bills not just the orders, but also the precise time when they were made.

The time taken to consume the meal is logged, as well as the moment at which each refreshing glass was ordered.

Observer

The Importance of being Graham's

GRAHAM'S
Late Bottled Vintage
1978
PORT

THE EEC BUDGET CRISIS

A squeeze can't be avoided

By John Wyles in Strasbourg

"IT IS clear that only in an atmosphere of crisis and complete failure can the impetus be created for a radical re-examination of the progress and future of Europe." Andreas Papandreu, the Prime Minister of Greece, told the European Parliament on Tuesday.

Mr Papandreu's rhetorical reworking of the ancient Community adage that "the EEC only solves its problems when it is in the grip of a real crisis" perfectly reflects the foreboding tinged with optimism which has prevailed since the complete summit failure in Athens last week. In this case, "crisis" refers to the extreme difficulties which can now be foreseen because there will not be enough money in the Community budget next year to finance all current operations.

The European Parliament's desire to avoid compounding these problems will be evident today when MEPs vote on the Community's 1984 budget. In the immediate aftermath of the Athens debacle, parliamentary rejection of the budget was a real fear in Community capitals.

However, it is now clear the parliament will pass a budget which, though not totally acceptable to all member governments, looks likely to be executed by the Commission.

In the Commission and the European Parliament, the fervent hope is that governments will act before the Community's money actually runs out to solve the short-term cash problem and assure long-term financial stability. This means embracing agreements along the lines of those which seemed so unattractive to all member governments in the common agricultural policy, a permanent solution to the British budget problem, better overall control of EEC spending and an increase in the legal limits on the Community's budget revenues.

Yet the Community is still in far too much of a state of numb shock after Athens to see how this happy condition of agreement can be reached.

Within the European Commission, expenditure control has become the dominant preoccupation, irrespective of when final agreements are reached. As the executor of the budget, the Commission has been in a

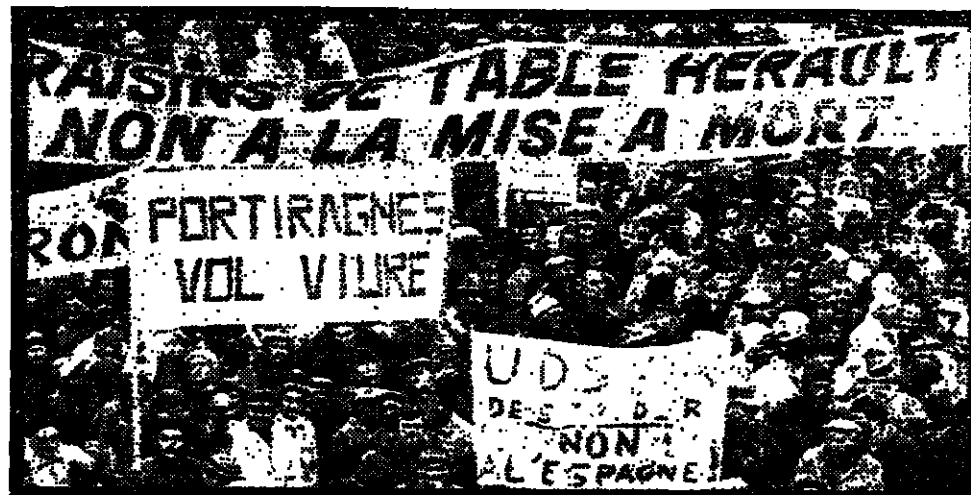
state of panic about the outlook.

In broad terms, the budget to be adopted by the parliament today should allow total expenditure next year of just over 25bn European Currency units (ECUs). About 45 per cent of the funds will come from customs duties and agricultural levies. The remainder will equal about 0.99 per cent of the VAT charges levied on member states up to a limit of 1 per cent of sales of a common basket of goods and services. In other words, the Community will be spending all but 50-100m ECUs of what it can legally spend.

This would be an uncomfortable situation at the best of times, but the state of agricultural production and markets makes these the worst of times. A 4 per cent rise in milk production, higher cereal output and lower world prices, are raising expenses in many other markets have pushed this year's agricultural spending to a level which is 28 per cent higher than last year's.

Next year's agricultural budget — which it must be remembered cannot be increased given the current legal spending limits — is only 4.4 per cent higher than this year's. Without radical action, spending cannot be contained within the ECUs 18.5bn allocated to agriculture. Thus, one of the dangers of prolonged political deadlock is that the money would run out in September according to the best informed guess.

In such a perilous situation, there is no question of the Community going into the debt market to fund its budget — deficit financing is explicitly ruled out by the treaties. The only way therefore to keep the CAP within the budget in the absence of political agreement is to cut the CAP's subsidies. They would surely need unanimous agreement to do so. It might be forthcoming, but would Mrs Thatcher allow emergency life support for the CAP unless she



The farm lobby in action: French farmers protesting outside the European Parliament this week against CAP reform and Spanish and Portuguese membership of the EEC

had the permanent reduction in Britain's budget payments she is seeking?

Would she, on the other hand, be prepared to take the political consequences of leaving British farmers unprotected? Could she pull Britain out of the CAP and adjust the UK's payments to the EEC budget unilaterally and then sue for peace with Britain's partners?

The options are difficult ones for her. They suggest that Britain may want to settle before everyone topples over the brink — a fate other countries should want to avoid for fear of the backlash from their agricultural lobbies.

The Commission's first objective will be to ensure that the brink is never reached. In other words, it must take whatever measures are necessary to keep the CAP within the budget in the absence of political agreement between the 10 governments on reshaping the policy. The Commission President, Mr Gaston Thorn, told the European Parliament on Tuesday that the CAP measures must be

in place by April 1, at the latest. Prudently, Mr Thorn and his colleagues have begun planning on the assumption that there will be no political agreements by then.

As a first step, the Commission is likely to announce before Christmas that it is prolonging into 1984 the measures it introduced in October to ease the CAP's cash flow problems. The main item here is the suspension of advance payment of 60 per cent of the subsidies attached to agricultural exports. This does not save money but it does delay expenditure.

At the same time, or early in the New Year, the Commission may well propose a freeze on farm prices, coupled perhaps with price cuts in the dairy sector. As a demand for austerity, this would be unprecedented. Even so, it would not ensure that the CAP will come in under budget.

A step in this direction, which will be considered by the Commission, is a refusal to propose a renewal of the regulations providing a broad range of producer and consumer aids. Many of these regulations expire on March 31 and the aids themselves now account for nearly half of total CAP spending.

The political uproar unleashed by such a move would be considerable. The UK would lose its butter consumption subsidy worth more than ECUs 120m a

year plus other aids for beef production. The Community-wide impact could embrace a host of producers of everything from fruit and vegetables to tobacco.

Other shots in the Commission's locker include an end to the practice of setting export rebates for six months ahead. This has encouraged profiteering by astute traders ready to gamble on world commodity price movements. A final and most devastating step would be to halt subsidised exports altogether and to run up enormous stockpiles of cereals, sugar and beef to join the record quantities already in the warehouses of butter and skimmed milk powder.

The message that Mr Thorn and his colleagues are trying to get across to governments is that some of these Draconian measures are avoidable if only they will agree on the CAP reform package which fell at the Athens fence. The precise savings to be derived depend on the content of any final agreement and its timing.

If, for example, the Commission's proposed economies in the dairy sector were agreed in March, based on quotas and a super levy to deter further excess production, they would come into force in midsummer and might yield savings of ECUs 500-600m. However, this will not be anywhere near enough. The total savings needed to keep the

A BREAKDOWN OF CAP SPENDING

	Figures in percentages			
	Export subsidies	Storage	Aids	Other
1981	46.5	14.6	39.0	2.9
1982	46.7	14.6	44.1	4.9
1983	48.0	17.9	43.5	3.5
1984	39.9	19.1	41.3	3.1

Lombard

The dangers of 'Excellence'

By Christopher Lorenz

AFTER SIX months at the top of the U.S. league of non-fiction best-sellers, *In Search of Excellence* has at last been topped. Appropriately enough, the book to which this typically American guide to corporate self-betterment has ceded the top spot is also billed as an "on-the-job training programme"; this time in Motherhood — the Second Oldest Profession. Though Christmas demand has given a new boost to James Herriot, over half the New York Times's current top 15 are in the "improve yourself" category.

High in the New York Times best-seller lists almost from the day it was published just over a year ago, *Excellence* (as the book is now lovingly known at McKinsey, the management consultancy which spawned it), has so far chalked up sales of almost 1.3m in the English language alone, making it, as the Americans would say, probably the best-selling business book of all time. Before long it will even be rivaling *Gone with the Wind*.

Such, for its authors Mr Tom Peters and Mr Bob Waterman, are the rewards of persuading corporate America that the time is ripe to break through its longstanding obsession with "scientific" management systems, and revive a few home-grown, simple principles of motivation, organisation and (thereby) success.

The book veritably reeks with catch-phrases such as "hands-on," "entrepreneurship," "stick to your knitting," "close to the customer," "lean staff" and, above all, "value driven." Its whole emphasis is on the "soft" elements of what McKinsey dubs the "Seven S's" of leadership and management: style, skills, staff and shared values, rather than the "hard" ones of strategy, structure and systems.

The book's impact abroad has been less immediately dramatic. Only the Japanese, with their craving to borrow anything they can from the successful aspects of American management, rushed headlong to buy it; they snapped up a remarkable 320,000 copies of its first six weeks of publication.

Until the last few months, many Europeans seemed suspicious of *Excellence* as a typi-

cally inflated import from the fashion-prone world of American business publishing. But now, in the nooks and crannies of companies of all sizes, self-respecting managers everywhere are starting to quote from it — not surprisingly, since bulk purchases from many of their chief executives have made it required reading.

For European companies whose down-the-ranks professionalisation is as advanced as the best U.S. corporations, but where systems and paper-pushing may have been taken to extremes — Siemens, Deutsche Bank, the chemical majors, and so forth — *Excellence* brings an overdue breath of fresh air. For the Danier-Benets, Nixdorf and Marks & Spencers, which have always kept a fair balance between systems and straightforward motivation and leadership, it is probably unnecessary.

But for the vast majority of European companies, particularly in the less sophisticated business cultures of France and Britain, it may be downright dangerous. The prolonged economic recession has unearthed countless examples of companies which lacked even the most basic down-the-line systems of budgeting and reporting, let alone a body of managers who had been trained to deal with all the complexities of dealing with today's business environment. A sizeable majority of European companies as in a similar state to Rhône-Poulenc, the French chemicals group which, in its own top management's admission, is in desperate need of greater professionalisation in its various divisions and profit centres.

It is one thing for *Excellence* to set in motion a belated swing of the American corporate pendulum away from over-management. But it is quite another for it to interrupt a much-needed arc of Europe's pendulum in the other direction, away from a dangerously naive "seat-of-the-pants" tradition and towards more rationality and professionalism. As Peters and Waterman themselves emphasise, sophisticated analysis strategies and systems are crucial to any business. *Excellence* was intended to restore the balance, not revive the flat-earthers.

Harper and Row, Price £12.50.

Letters to the Editor

Delays that occur when buying or selling property

From Mr T. Bishop.

Sir,—In your leading article on December 12 you seem to be implying that solicitors are an endangered species. While it is true that quite a number of us would welcome the removal of some of the shackles imposed upon us by unnecessary professional rules it simply is not true to say that solicitors are responsible for the delays which occur when buying and selling property.

My experience is that most delays have nothing to do with solicitors or their methods of work, local searches (often used as an excuse for delay), the Land Registry, the weather, or anything else other than the parties themselves. Most delays are caused by purchasers who do not wish to sign a contract for a variety of reasons, e.g. because they have not yet exchanged contracts for their own sale, because they are still haggling over the details (how much for the carpets etc.) because mother-in-law is having second thoughts, wife is threatening to leave if husband insists on moving to a new area, because they are going to Majorca in July and if they sign the contract in June they will have to complete in July, illness, school holidays (why should the children have to change schools in the middle of the term) or because they have

made an offer to secure the property, they cannot find anything better and for all sorts of other personal reasons, plus (and invariably) because they have not yet received a mortgage offer. These are the every day realities, so please do not blame solicitors.

No computerised conveyancing system or anything else will stop some purchasers changing their minds at the last minute, or asking for a reduction in price, or losing their jobs so they cannot proceed. It is because experienced solicitors are quite often able to persuade their clients to be sensible and realistic that many sales, which otherwise would fall through, are completed. How many times do clients say "I am putting the property back on the market," or "If he does not sign by the end of next week I am withdrawing." This type of situation is surely best handled by an independent person rather than clerks employed by banks and building societies.

Buying and selling a house is a complicated business and it is an unfortunate fact that many sales are "forced sales" resulting from divorces. Delays by vendors are almost inevitable when the partners are squabbling over the proceeds.

Everyone buying or selling a house needs independent advice at reasonable cost and solicitors are the best people to provide it. There is room for more com-

petition between solicitors and the Law Society is taking the necessary action, albeit rather slowly, but please do not condemn us to extinction—I think our clients would miss us.

As for the ludicrous proposal that a vendor should have his own property surveyed before selling (at a cost of £200 or £300), I can just imagine the reaction of some of my clients. I have been trying for years to persuade them to spend £10 or so on the local search but without success. Surveys always find some faults and to suggest to the vendor that he should offer the purchaser a survey which will enable the purchaser to justify an offer lower than the vendor's expectations is simply not a practical proposition in the real world—it might be different in Mr Austin Mitchell's utopia.

You also referred in your article to building societies providing cheap bridging loans which "would obviate the need for the long chains of house transfers which bedevil most British houseowners every six years on average." Fine, but I think you will find, as I do, that bridging loans are a great idea as long as someone else in the chain takes it up and pays the interest and the bank's commitment fee.

T. A. Bishop.
Bishop Longbottom & Bagnall,
Rodney House,
5, Roundstone Street,
Trowbridge, Wilts.

World food prices

From Mr J. Bourlet.

Sir,—Samuel Brittan ("Leave the Cap to die," December 8) claims that, in the event of increased EEC food imports, world food prices would rise at least in the short run.

While right (politics permitting) in the long run, he surely ignores the fact that EEC food production is fast catching up with the short run. Total world production may not decline in total despite such imports and there may be no change therefore in the total supply/demand picture.

Indeed, the main point may be, should Britain choose to import food at world prices, that beef, butter, cheese, bacon, pork, cereals and poultry, at present imported from Denmark, Ireland and The Netherlands would continue to be so imported but at prices in line with those faced by our principal competitors in Japan and America. This would lead to an increase in living standards here and a corresponding fall in land values elsewhere.

James Y. Bourlet,
Business Studies Unit,
School of Business,
Economics and Social Studies,
84, Moorgate, EC2

Dazzlingly dangerous

From Mr M. Edwards

Sir,—The rear lights on modern vehicles are designed to be adequate for all conditions except fog. High intensity rear lights have now been added to new vehicles for use in fog. Unfortunately, driving conditions on our motorways are being made more dangerous by inconsiderate drivers using their rear fog lights after dark in all weather conditions.

These lights are dazzling and dangerous, particularly in wet conditions when they create a red "fog" of the spray and the wet road reflects and increases their intensity. I understand the use of these lights is illegal in other than fog conditions but it would appear to need a public education effort from the Ministry of Transport and more strict interpretation by the police to ensure the cessation of this dangerous practice.

M. A. Edwards,
White House,
Chesler Road,
Merc, Cheshire.

Finding an expert

From Mr M. Elliot

Sir,—The chairman of the British Legal Association (December 6) writes in defence of his profession. His letter ennobles the cavalier disregard ordinary people suffer from so many "professional" bodies who in this country, spend their time trying to impress the public with the fact that they have "members' interests at heart."

Their ban on advertising is based on the props that sustain the status quo—preventing the incompetent and dishonest back good people who have no wish to wait for a chance upon being recommended for their special services. The implication in his letter that the same is to protect the public from misleading

advertising can properly be viewed as an insulting slur on people's intelligence; it merely reinforces my feeling that such attitudes amongst professional bodies are ones this country can well do without.

If they are seriously interested in customers, or even their own members (other than the big and powerful ones to whom such bodies seem invariably to kowtow), why don't they come up with a better alternative?

Mr Shucksmith (December 7) has no answer either; he is also concerned about people being manipulated by "clever" advertising. Perhaps the real question is which is worse—a slight danger of people having little judgment (poor mites) or having such "professionals" continue to hide behind the conventional wisdom that advertis-

ing is somehow evil. We should bear in mind that it is the professionals themselves who have done most to popularise this whole myth over the years, turning public fear into their own private profit.

Both of these gentlemen miss the essential problems: The ban on advertising imposed by the status quo prevents us from being able to choose from among the thousands of expert legal people who could help us. We are not even allowed to know who they are! It is about as daft as it would be to ban the advertising of matches on the basis that people would be much better placed choosing a box of matches via the route of "who they knew" rather than what they could see for themselves.

Malcolm G. Elliot,
Kingswood Buildings,
Lower Kingswood,
Tadworth, Surrey.

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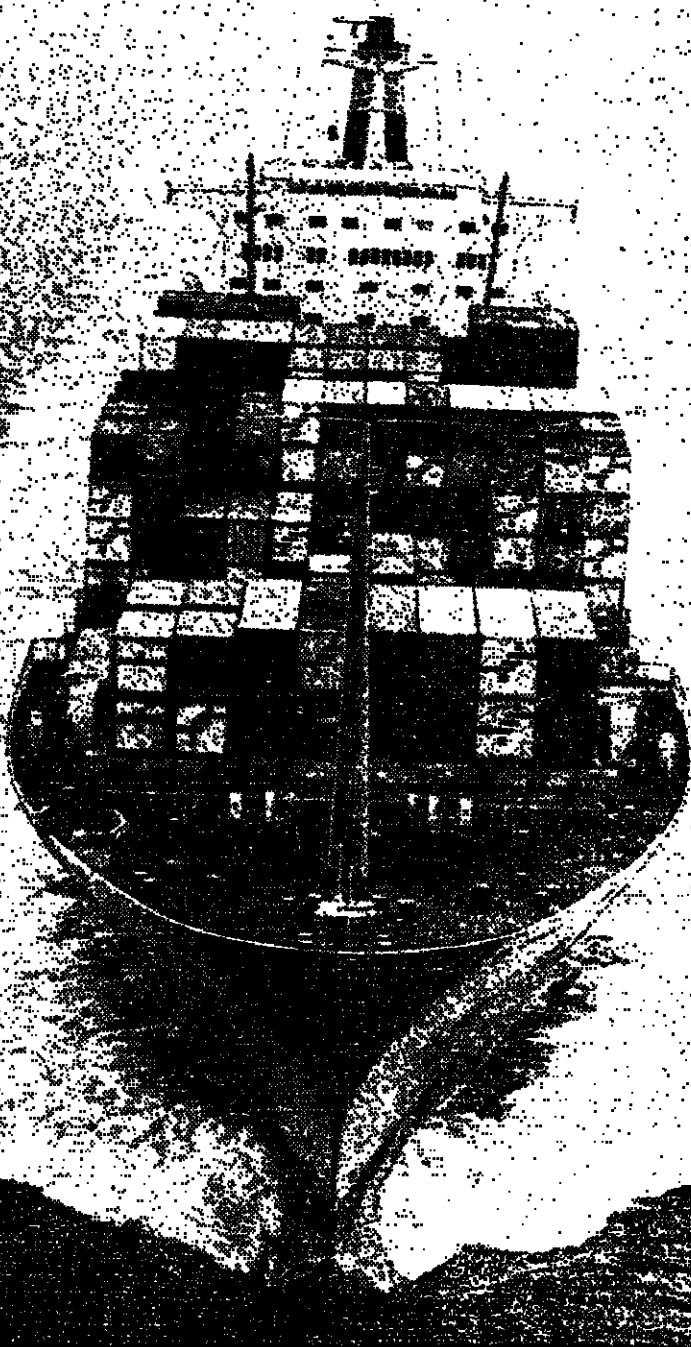
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SECTION II - INTERNATIONAL COMPANIES

FINANCIAL TIMES

Thursday December 15 1983

Travis & Arnold
Timber, Building Materials, Heating and
Plumbing Equipment for the Construction
and Allied Trades. Northampton 52424.

Hoogovens to make further job cuts

By Walter Ellis in Amsterdam

HOOGOVENS, the Dutch steelmaker, is to shed a further 730 jobs between next year and 1990 as a result of deteriorating market conditions and demands for cuts from the European Commission.

The company is also to close one of its four hot strip mills, reducing its annual production in this sector by 1m tonnes.

The Commission called in September for a reduction in capacity by the Dutch steel industry (basically Hoogovens and Nedstaal) of 950,000 tonnes. Hoogovens' decision to exceed this amount on its own is an indication of the poor state of the market and of expectations for the 1980s as a whole.

Last year, Hoogovens announced a major restructuring plan for 1983-85 involving £1.3bn (\$418m) of state aid. The total cost of the plan was put at £1.25bn. The aim was to reduce hot-rolled capacity to 4m tonnes annually by 1990, and total raw steel capacity to between 5.5m and 6m tonnes.

At the same time, remaining plant is to be modernised and several new, high-technology furnaces are to be introduced to improve efficiency.

Hoogovens at present employs some 18,000. Under the 1983 plan, the number was to be reduced to 16,700 by the end of 1985. Now the decrease is to be more drastic - to 16,000.

U.S. authority blocks railway group merger

By Terry Dodsworth in New York

THE U.S. Interstate Commerce Commission placed an unexpected barrier into the way of the proposed railway merger between Southern Pacific and Santa Fe yesterday when it filed a "cease and desist" order on the two companies.

The move effectively freezes the merger proposal for the time being, even though Santa Fe shareholders voted overwhelmingly to accept the amalgamation project only yesterday. Executives from the two companies said they were puzzled by the decision, since the ICC has recently approved similar railway combinations.

The ICC is a Federal regulatory agency which looks after interstate commerce, and has particular powers over the railroads, roads and canals. Since the advent of the Reagan Administration it has given the impression of following the Federal Government's policy of reducing regulatory interference in industry and commerce.

Yesterday's decision, however, follows intensive lobbying from the rival Union Pacific Railway Company, which has been seeking to block the combination of the two holding companies that own Santa Fe and Southern Pacific.

Union Pacific has said that it is not necessarily opposed to the merger if it is accompanied by appropriate conditions. But it has taken the matter to a Federal Court in Washington, where its suit was dismissed earlier this week.

RAINER AFFAIR DELAYS SWEDISH STATE BANK'S ATTACK ON PRIVATE SECTOR

PKbanken's trip to market is postponed

By Kevin Done in Stockholm

THE CELEBRATIONS at PKbanken, the Swedish state-owned commercial bank, have turned sour.

Only a few weeks ago the management was confident that it had persuaded the Government to allow it to make its first public share issue, a surprise measure of partial privatisation by the country's socialist administration.

The launch of the bank's shares on the stock market - for the Government a manoeuvre designed to take a little pressure off the public purse - was seen by the bank's leadership as a way of finally establishing its competitive credibility in the fight against its arch rivals from the private sector, Skandinaviska Enskilda Banken and Svenska Handelsbanken.

Today the picture suddenly looks less rosy. The bank has been caught up in the scandal surrounding the personal tax affairs of one of its former board members, Mr Ove Rainer, who was forced to resign last month from his post as Justice Minister in Sweden's Social Democratic Government.

The share issue is to be delayed - it was originally planned for March - and the consequences of the Rainer affair could yet spread to the top of the bank's executive management.

The bank's current problems stem from a number of big loans it granted to Mr Rainer in recent years, both during the period when he was Justice Minister and in his former role as head of the Swedish Post Office, which automatically entitled him to a place on the PKbanken board.

Mr Rainer used the interest payments on the loans - his borrowings directly from the bank or arranged through the bank have totalled around SKr 40m (\$4.9m) in recent years - to reduce his tax liabilities.

In 1981, for instance, he paid only some 10 per cent income tax on earnings of around SKr 2.4m.

ALMOST imperceptibly over the past year a market has been growing in international bank loans as banks try to restructure their balance sheets in the wake of the Latin American debt crisis.

At one level, it is a highly exotic market in which Ecuadorian past due receivables - import bills that have not been paid - have changed hands at a discount of 10 per cent from their face value. At another, it is a more mundane market in which banks trade their loans to high quality borrowers in an effort to improve their profitability and create space for new and lucrative business.

Yet at both levels this emerging secondary market in bank loans has added a new dimension to the business of international banking, restoring some business flexibility to banks caught up in the rescheduling crisis and adding a new spur to the moribund syndicated loan market.

In a recent transaction, for example, Bankers Trust of New York engineered a debt exchange with a Brazilian bank that reduced its own Brazilian exposure, while providing Banco Real, the counterparty, with some badly needed liquidity. The

deal was not particularly complicated. Bankers Trust simply bought \$100m of Banco Real's Mexican loans in exchange for \$50m in cash and \$100m of its own loans to Banco Real, which were effectively forgiven.

Not only did Banco Real thus end up freed of its obligation to repay Bankers Trust. It also no longer faced the problem of having to fund its Mexican loans in a difficult interbank market and it had some extra cash to set aside as well. The U.S. bank was able to reduce its exposure to Brazil in return for Mexican credits, which it evidently regards as a better risk.

Deals like these are already beginning to have a profound effect on thinking about the debt crisis as banks and borrowers seek out ways of coping with a problem that could otherwise tie up balance sheet resources for years ahead. They are also evidence of a fundamental change in attitudes as the once deep-seated division between the bond and capital markets is steadily eroded.

While the trading of rescheduled debts has been largely a U.S. phenomenon, banks in London have been busy building up a secondary market in loans to top quality bor-

rowers such as Sweden, Belgium and the EEC. In this market the emphasis is less on reducing risk than it is on maximising earnings potential and balance sheet flexibility.

Giants in the Eurocredit market - such as Citibank and Midland - have the resources to commit large amounts to a given borrower for long periods. Their size also gives them closer business relationships than smaller banks - which may not even get a look in at loans to top-rated risks such as Belgium and the EEC. The disadvantage to the big banks is that these borrowers have such clout in the market that they will only borrow at very fine spreads.

Increasingly, the large banks have discovered that one way out of this problem is to sell sub-participation in their loans to smaller banks. Because the sub-participation may only run for, say, three years in an eight-year loan, the bank which buys it will receive a lower margin than the original lender, who pockets the difference as well as the fees paid by the borrower. In this way a large bank can boost substantially its overall return on assets.

Superficially it looks as though the large banks are using this sys-

tem to gouge the market. The buyer of a sub-participation, after all, receives a lower margin and no fees. Yet, there are apparently many willing buyers.

For some, the sub-participation market offers a chance to diversify lending into credit risks that would otherwise remain inaccessible - Belgium's latest \$600m credit allows for a minimum subscription of \$15m, which is far too high for a small consortium bank.

For Japanese banks the sub-participation market offers a way of boosting lending without running foul of Ministry of Finance regulations.

The Ministry of Finance in Tokyo sets a rigid limit on the amount of medium-term lending that Japanese banks can undertake in the Euromarkets. There is, however, no limit on short-term lending for periods of less than a year. What better way for a Japanese bank to boost its loan business than by selling short-term sub-participations in someone else's loan?

For their part, sellers in the sub-participation market reap several advantages. First they can adjust their balance sheets rapidly, and this may be important for European banks whose capital gearing ratio is

continually being undermined by the strength of the U.S. dollar in which most lending is done. As the dollar rises, so does total lending as a proportion of capital which is denominated in a weaker currency such as sterling.

Where country limits are being reached, a large bank can sell part of its existing portfolio to clear space for a more lucrative deal it spies on the horizon. Increasingly this is likely to mean a proliferation of bilateral deals between a single bank and a borrower, as well as club deals from which smaller banks are excluded.

None the less, the total turnover in the secondary market remains small in relation to total outstanding loans. Banks involved in secondary trading of Eurocredits reckon that it is unlikely to have exceeded \$2bn this year.

And there are some drawbacks. The case brought by Michigan National Bank of Detroit against Citibank shows that the sub-participation market is a potential legal minefield. Michigan National complained that Citibank forced it to extend the maturity of a \$5m sub-participation in a loan to Pe-

mex, Mexico's state oil company, as part of Mexico's rescheduling arrangements.

Some banks are also unclear about how to account for sub-participations that do not run to maturity of a given loan. Does a sale and repurchase agreement really free up the balance sheet when the seller has to take the loan back when the sub-participation runs out?

Some large banks are also now seeking lead positions in syndicated loans with the deliberate intention of selling their share in the sub-participation market. This can conflict with the normal syndication process: lead managers in the recent \$800m loan for Algeria had to be forcibly reminded by Bankers Trust, which was running the books, that it was unfair practice to sell short-term sub-participations while syndication was still going on.

Despite these problems, most bankers reckon that the secondary market in bank credits is here to stay. It may never match the secondary market in bonds; nor is it likely to become as important as the primary market in credits. But it is adding to the credit market's flexibility and liquidity.

Peter Montagnon in London charts the emergence of a secondary market in bank loans

Debt crisis brings new creativity to banking

U.S. IBH unit still trading

By William Hall in New York

TEREX CORPORATION, the main U.S. operation of IBH, said that the bankruptcy of the parent company would not have any immediate effect on its working. It is developing reorganisation plans under Chapter 11 of the U.S. bankruptcy laws.

The company laid off over 800 workers, on November 21. The remaining 439 workers have been forced to accept wage cuts.

The company has stopped producing new equipment but is continuing to ship new orders from stocks

German builder sees fall in foreign orders

By John Davies in Frankfurt

WAYSS UND FREITAG, the West German construction group, has boosted its activities this year, but has received fewer orders from abroad for future work.

The value of the company's building work carried out in the first ten months of this year rose 13 per cent to DM 1.03bn (\$374m), with an increase in activity both within West Germany and abroad. It expected satisfactory profits this year despite difficult market conditions.

But its order book, which stood at DM 1.2bn at the end of October, was hit by a 40 per cent drop in foreign orders on hand to DM 520m, although domestic orders were up 5 per cent at DM 650m.

Wayss und Freitag said that on the basis of present orders, its foreign activity next year would fall to about 80 per cent of this year's level. But the volume of its building activity in West Germany was likely to be maintained.

Go-ahead for Grupo Visa debt conversion

By Our Euromarkets Correspondent

MEXICO'S Ministry of Finance has authorised Grupo Visa, the country's second largest industrial conglomerate, to reschedule about \$1bn in foreign debt through the issue of floating rate notes to its commercial bank creditors.

The scheme will allow the rescheduling to be exempt from Mexican withholding tax on interest which currently stands at 15 per cent. Mexican withholding tax is applied against bank credits to private sector companies but not to the issue of securities.

The issue of floating rate notes is one way of getting round the tax, but it is not yet certain that the Mexican authorities have accepted it as a general principle.

Details of the scheme are to be sent shortly to more than 100 creditor banks by the advisory committee headed by Continental Illinois that has been spearheading the Visa negotiations. Under the scheme creditor banks will be asked to change their loans into floating rate notes.

Hilti expects earnings gain

By John Wicks in Zurich

HILTI, the Liechtenstein-based manufacturer of power tools and fastening systems, expects group sales to rise by some 3.6 per cent this year to a record SwFr 1.24bn (\$550m). The parent company also expects a reversal of last year's downward trend in profits.

Net earnings, which fell by 26.6 per cent in 1982 to SwFr 20.4m, are expected to improve by about 10 per cent.

Western Electric to go in last stage of AT&T shake-up

By Paul Taylor in New York

AFTER more than 100 years, Western Electric, American Telephone and Telegraph's (AT&T) manufacturing unit, will cease to exist as a corporate entity on January 1.

AT&T said yesterday that, as part of the structural step towards the planned Bell System break-up, Western Electric will be dissolved and combined with the operations of its AT&T Technologies group, which includes its main Line of Business (LOB) companies and Bell Laboratories.

The U.S. telecommunications giant said yesterday that AT&T Technologies would combine research, manufacturing and the more than half a dozen LOB's which market equipment and services in the U.S. and abroad.

AT&T Technologies will have \$22bn in assets, projected 1984 revenues of \$24bn and more than 250,000 employees.

AT&T Information Services, the unit formed to spearhead a push into the deregulated telephone equipment and data processing industry, will remain a separate subsidiary but will report to Mr James Olsen, AT&T vice-chairman, who was also named chairman and chief executive of AT&T Technologies.

Explaining the move, Mr Olsen said yesterday "integrating manufacturing with our lines of business will translate customer needs into products and systems in the fastest and most efficient way. The head of each business unit will now have control over all the resources neces-

sary to be successful, and will be accountable for the profitability of that business worldwide."

The move is seen as a further recognition by AT&T of the need to adopt a structure capable of responding quickly and efficiently to market requirements in order to maintain a competitive position. As part of the reorganisation, Bell Labs, research has also become more directly orientated towards customer and market needs, although its pure research function will continue.

As a result of the changes announced yesterday, Western Electric will cease to publish a separate annual report. However, the name will live on as a brand name on some AT&T products.

Osborne formulates scheme for survival

By Louise Kehoe in San Francisco

OSBORNE COMPUTER Corporation has devised a plan to pull itself out of bankruptcy. The California-based personal computer manufacturer has filed a reorganisation proposal in the Oakland, California, bankruptcy court.

Subject to court approval, and the agreement of creditors, Osborne will re-enter the market for portable personal computers under a new management team headed by Mr Ronald J. Brown, former general manager of Osborne's successful international operation. Mr Adam Osborne, founder of the company, will remain chairman of the board.

Osborne aims to license companies in several countries to manufacture its portable personal compu-

ter. In the UK, Osborne Computer Corporation UK is already forming plans to make a new IBM-compatible version of the Osborne Executive in Scotland. Osborne UK could have home-built computers ready for sale as early as next April, according to Mr Brown.

In the U.S., Osborne faces more difficult problems due to stronger competition. Mr Brown believes, however, that it will be possible for Osborne to sub-contract or license manufacturing and to continue development of new products. "But we will never be the size we were," he added.

Unsecured creditors, who are owed close to \$40m by Osborne, have agreed in principle to the "go forward" plan.

Fluor looks for recovery next year

By Our New York Staff

FLUOR, the U.S. engineering and construction group, said yesterday that it was looking towards a recovery in 1984 after suffering a sharp drop in earnings during its 1983 fiscal year to October.

The company reported earnings of only \$27.7m, or 35 cents a share, in 1983 against \$152.8m in the previous year. Sales fell from \$6.7bn to \$5.8bn.

The figures last year were distorted by the disposal of the company's distribution group, against which Fluor made a charge of \$28m in the fourth quarter. The same division also ran up a trading loss of \$27m during the year.

and this stable funding has provided a base for its thrust into the corporate sector. This strength has allowed it to become the leading lender to industry. But the real key to narrowing the lead of its two competitors lies in improving fee income rather than interest earnings.

PKbanken has had to move fast to try to build a staff and an organisation that is capable of meeting the needs of Sweden's big multinational corporations. It has recruited hard from the other banks and from industry. A year ago, it set up a new corporate division modelled on those of the big U.S. banks and staffed by many of the new recruits.

The bank still has a long way to go. Last year it derived only 15 per cent of its total income from commissioned earnings, compared with 28 per cent at Handelsbanken and 33 per cent at S-E Banken, but the picture is improving.

Its immediate capital needs will now be met by a temporary capital injection from the Government. The Finance Ministry clearly thinks the bank needs a little time to rebuild its battered image after the Rainer affair and the appointment of a new chairman.

But for PKbanken's self-confidence and credibility, it is vital that the approach to the markets is not delayed for too long.

This announcement appears as a matter of record only.
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Tokyo Pacific Holdings (Seaboard) N.V.
on 12th December, 1983, U.S. \$83.70
Listed on the Amsterdam Stock Exchange

Information: Pierson, Heiding & Pierson N.V.,
Herengracht 214, 1016 BS Amsterdam.

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PER 12 DECEMBER 1983

	Today	INDEX Last week	% Yield	Yield Low
U.S. Eurobonds	11.88	11.84	12.54	11.23
DM (Foreign Bond Issues)	7.44	7.38	7.70	7.43
YFL (Debt Notes)	6.00	7.09	8.67	7.43
C&S Eurobonds	12.64	12.54	13.55	12.53

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INTL. COMPANIES & FINANCE

Toshiba
lifts group
earnings
by 41%

By Yoko Shibata in Tokyo

STRONG earnings were reported by Toshiba and its 32 consolidated subsidiaries in the first half-year ended September. For the first time group net profits topped those of the parent company.

Mr Yuichi Yamada, senior managing director, said the company's earnings rise should continue not only in the current half year but throughout the next fiscal year, ending March 1985, in view of an unprecedented boom in demand seen for semiconductors.

Group net earnings in the first half year rose by 41 per cent to reach ¥28.2bn (\$110.9m) on sales of ¥128.9bn, up by 7 per cent from the previous year.

During the half year, the company's sales of electrical appliances for the home moved up by 10 per cent to account for 30 per cent of the total. There were strong sales of summer goods, as well as favourable sales of video cassette recorders (up 20 per cent) and television sets (up 10 per cent)—especially in the overseas market.

Sales of heavy electrical goods declined by 7 per cent to account for 26 per cent of the total.

Sales of electronics components rose by 22 per cent to account for 33 per cent of turnover, thanks to strong sales of semiconductors (up 40 per cent), colour television tubes (up 20 per cent) and office automation equipment (up 25 per cent).

In the current half year, ending March 1984, the sales rise is expected to be maintained, centring on electronics components. Currently, the company's semiconductor manufacturing sector is working at full capacity with three shifts a day and still cannot meet demand.

Initial Capital Investment plans for semiconductors for the current year was ¥60bn, up 57.5 per cent from fiscal 1982, but the company has decided to increase this to ¥90bn. This accounts for 60 per cent of this year's investment total.

Full year consolidated sales are expected to reach ¥2,770bn, up 15 per cent, and net profits are projected at ¥54bn, up 60 per cent from the previous year.

Mitsui and Company, the second largest trading house in Japan and the parent of the loose-knit Mitsui groupings, has reported a sharp, 76.8 per cent, fall in group net earnings for the half-year to September. Net earnings fell to ¥1,070bn from ¥4,610bn a year earlier. Sales were 2.1 per cent lower, down to ¥7,760bn from ¥7,930bn.

Mitsui's unconsolidated net was 27.5 per cent lower at ¥3,060bn on sales 4.3 per cent down at ¥6,798bn. Losses on the Bandar Khomeini project in Iran were one of the prime factors in the higher group, as against parent company, fall in earnings.

DIVIDEND
NOTICE

NOTICE IS HEREBY given that the Board of Directors of Agnico-Eagle Mines Limited has declared a dividend of 12¢ (U.S. funds) per share payable on January 10th, 1984 to shareholders of record December 16th, 1983.

Dated this 6th Day of December, 1983.

Barry Landen
Secretary-TreasurerBarclays National acts to
catch up in merger race

BY BERNARD SIMON IN JOHANNESBURG

THE DRIVE by South African financial institutions to broaden their base will pass another milestone after the country's biggest banking group becomes a major shareholder in the third largest insurance company.

Barclays National is spending R135m (\$110.5m) to acquire a 30 per cent interest—the most allowed by the Banks Act—in Southern Life Association, an insurance group to be formed by the merger of Anglo American Life, the insurance arm of Anglo American Corporation, and Southern Life Association, a large but low-profile life insurer. The enlarged Southern Life, which is to be listed on the Johannesburg Stock Exchange, will have assets of R3bn.

Barclays' involvement in the transaction reflects the intense struggle among financial institutions in recent years to stay ahead of their competitors. Mr Christopher Ball, the bank's deputy managing director (who takes over as chief executive early next year), points out: "We would not have initiated a round of mergers between life insurers and banks. But some of the other guys play the game quite tough. We had to be sure that we were not put in a position where we could be prejudiced."

Barclays has up to now lagged its competitors. Although it has extensive interests in non-traditional banking activities

such as factoring, personal financial advice, insurance broking and home loans, it has not co-operated with other financial institutions to the same extent as some other banks.

Just three months ago, Standard Bank Investment Corporation (STANBIC) spent R55m to increase its shareholding in Liberty Life, one of South Africa's most flamboyant insurance groups, from 25 per cent to 50 per cent. (STANBIC was able to go beyond the legal limit of bank holdings in insurance groups by structuring the transaction through holding rather than operating companies.)

Standard and Liberty are also drawing closer to the United Building Society, South Africa's biggest, creating a loose alliance with assets of almost R20bn. Standard and United now have desks in each other's branches. Liberty Life salesmen gently steer their customers to Standard for banking services and to United for home mortgages.

The tightening bonds between banks, building societies, insurance companies and other institutions like pension funds (many of which rely on banks for portfolio management services) have raised considerable controversy.

The concentration of business power in a few hands has become the most hotly debated economic issue in South Africa

for decades. Groupings like Barclays / Southern and Standard / Liberty / United (there are several others) heighten fears that a handful of businessmen are gaining a stranglehold on the economy.

The government tries to circumscribe the powers of the megagroups by, for instance, limitations in the Banks Act on cross-shareholdings among financial institutions and by a ban on conditional selling (banks granting loans on condition that customers use their insurance broking subsidiaries, and so on). But Pretoria is also nervous of being attacked for dampening free enterprise.

"There's no question that it's a tightrope," says Mr Ball, who insists that Barclays will not change its operating style. "We're not going to be predators." Nonetheless, he dismisses critics of the growing power of the financial groups, pointing out that competition between them is fierce. In one Pretoria shopping centre, there are no fewer than five automated teller machines, each costing R60,000, within 100 yards of one another.

Barclays is confident that the transaction will bring it benefits too. To help pay for its 30 per cent holding in Southern Life, Barclays plans an R80m rights issue, which will appreciably strengthen its capital base.

Howard
Smith plans
bid for
Blackwood

By Lachlan Drummond in Sydney

HOWARD SMITH, the Australian coal, sugar, shipping and engineering group, intends to make a takeover offer for J. Blackwood and Sons, which values the metals and building products distributor at A\$94.8m (U.S.\$76.4m).

Smith is to offer A\$5.50 a share and has already built a 9.2 per cent foothold at Blackwood, which has appeared a likely takeover candidate for some time because a cyclical downturn in its earnings.

Its share price had risen by 18 per cent this month to A\$5.14 before yesterday's bid announcement and there is clear speculation that a rival bidder will emerge with the shares closing 10 cents above Smith's offer yesterday.

In preparation for the bid Smith earlier this month raised A\$88m through the sale of large holdings in Adelaide Steamship and BHP, although A\$27m of this is earmarked to boost its stake in its R. W. Miller ship-plant and coal offshoot. Smith also faces a A\$60m outlay on other coal facilities.

The proposed bid price for Blackwood represents 13.5 times its earnings for the year to June 30 last of A\$5.8m, although on likely future earnings the multiple falls close to single figures. It also represents a premium on Blackwood's stated net assets of A\$63m.

Japan relaxes currency
rules for foreign banks

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN'S Ministry of Finance has informed foreign banks in Tokyo of a major increase in the "swap limits" under which the banks bring foreign currencies into Japan for conversion into yen.

Under the new system each bank will be allowed to convert foreign currencies up to 75 per cent of the outstanding balance of its yen loans to Japanese borrowers. Previously the swap limits accorded to individual banks varied widely, but the average ratio to yen lending is believed to have been about 30 per cent.

The new rules governing swaps take effect from today and will be valid for six months. In June 1984 the Ministry will revise the limits in the light of yen lending by foreign banks during the second half of the current fiscal year (October 1983 to March 1984).

The significance of the

Ministry's move is that foreign banks in Tokyo are at a disadvantage compared with local banks in funding their yen loans. Foreign banks rely heavily for their local yen funding on short-term money markets such as the Tokyo bill discount market.

Japanese domestic banks, by contrast, draw funds primarily from their large deposit base. Deposit rates in Japan are held at relatively low levels by a system of "guidance" operated by the Finance Ministry and thus provide domestic banks with a cheap source of funding.

The cost of swapping foreign currencies into yen fluctuates sharply in relation to yen funding costs but can sometimes be cheaper, according to foreign banks in Tokyo.

The high costs of refinancing local lending operations have contributed to a steady fall in the profitability of the 80-odd foreign banks in Tokyo.

U.S. \$100,000,000

B.B.L. International N.V.

(Incorporated with limited liability in The Netherlands)

Floating Rate Notes Due 1995

Guaranteed on a Subordinated Basis
as to payment of principal and interest by

BBL

Banque Bruxelles Lambert S.A./
Bank Brussel Lambert N.V.
(Incorporated with limited liability in Belgium)

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 15th December, 1983 to 15th June, 1984 the Notes will carry an Interest Rate of 10 1/2% per annum. The interest amount payable on the relevant Interest Payment Date which is 15th June 1984 will be U.S. \$273.23 for each Note of U.S. \$5,000.

Credit Suisse First Boston Limited
Agent BankNew Issue
December, 1983

All of these securities having been placed, this announcement appears for purposes of record only.

EUROPEAN
ECONOMIC COMMUNITY

U.S. \$ 50,000,000 12% U.S. Dollar Bearer Bonds of 1983, due 1993

U.S. \$ 50,000,000 12 1/2% U.S. Dollar Bearer Bonds of 1983, due 1998

Deutsche Bank
Aktiengesellschaft

Daiwa Europe Limited

Amro International
Limited

Banque Paribas

Credit Suisse First Boston
LimitedDresdner Bank
AktiengesellschaftGoldman Sachs
International Corp.

Kreditbank S.A. Luxembourgeoise

Morgan Stanley International

Orion Royal Bank
Limited

Salomon Brothers International

Société Générale de Banque S.A.

Swiss Bank Corporation
International LimitedUnion Bank of Switzerland
(Securities) Limited

S. G. Warburg & Co. Ltd.

U.S. \$75,000,000

EAB FINANCE N.V.

(Incorporated with limited liability in the Netherlands Antilles)

Guaranteed Floating Rate Notes Due 1993

Guaranteed on a subordinated basis as to payment of principal and interest by

European American Bancorp

(Incorporated with limited liability in New York, U.S.A.)

Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the six months from 15th December, 1983 to 15th June, 1984 the Notes will carry an interest rate of 10 1/4% per annum. On 15th June, 1984 interest of U.S. \$271.64 will be due per U.S. \$5,000 Note for Coupon No.1.

European Banking Company Limited
(Agent Bank)

15th December, 1983

NATIONAL BANK
OF HUNGARY
(Magyar Nemzeti Bank)

U.S. \$50,000,000

Floating Rate Notes Due 1985

In accordance with the provisions of the above Notes, notice is hereby given that the rate of interest for the Interest Period from December 13, 1983 to June 13, 1984 has been fixed at 10 1/4% per annum, interest due at the end of the Interest Period of US\$273.23 will be available upon surrender to any of the Paying Agents of Coupon No. 8.

Agents:

American Express
International Banking Corporation

Meat division boosts Northern Foods to £50m

PROFITS up from £20.6m to £26.4m in the second six months of 1983. Northern Foods, the meat and dairy products group, has lifted the pre-tax figure to £50.1m for the 32 weeks ended September 30 1983, out of a 15-month period. Comparative result was £41.2m for the previous 53 weeks.

Turnover was £307.1m higher at £1.31bn and directors are paying a second interim dividend of 4.25p, against a 3.75p final. Earnings per 25p share were 18.18p (16.23p).

Mr Nicholas Horsley, chairman, says that the profit improvement was in spite of the problems faced at Bluebird, in the U.S., and the "inevitable uncertainties" on the milk front. He points out that almost all of the increase came from the group's meat-based activities. Port Farms benefited from major sales growth and there was an excellent full-year contribution from Bluebird's subsidiary, Keystone Foods Corporation.

An activity analysis of turnover and profits shows: milk and dairy products £283.1m (£273.5m) and £20.1m (£18.7m); meat products £54.7m (£51.9m) and

£22.4m (£15.7m); milling and baking, £126.3m (£121m) and £7.4m (£7.8m); brewing £22.3m (£21.9m) and £2.3m (£2.1m); other activities £85.4m (£28.6m) and £3m (£1.8m). Associates companies profit was £2.9m (£2.1m); interest on trading took £10.5m (£9.8m), and there were £2.6m (£3.2m) earnings on overseas investments.

Comparatives for meat products and other activities include only 23 weeks' trading in respect of Keystone Foods.

An analysis by country of net sales, turnover and profits shows: UK £100.2m (£100.4m), £59.6m (£52.2m) and £40.5m (£34.9m); U.S. £20.8m (£24.1m), £71.2m (£48.1m) and £7.1m (£3.5m). Overseas investments net assets totalled £35.5m (£28.4m) and profits £2.5m (£2.8m).

Mr Horsley says that in the milk and dairy division the industry's problems intensified as the year progressed. Margins declined as a result of pressure from retailers. Liquid milk sales, however, became more stable and other fresh milk products "made good progress". Under milling and baking

HIGHLIGHTS

Lex looks at the markets where the statement from BNOG that it intends to add the oil price helped sterling yesterday, but it lost some of its earlier strength against Continental currencies later in the day. The column then goes on to review the latest round of bids for Eagle Star. Northern Foods seems to be sorting out U.S. problems, but at home prospects for milk continue to cloud an otherwise excellent performance. Westland showed a modest profit rise yesterday after taking in around £5m of provisions. Finally Lex comments on the preference scrip issue by Bulmer.

margins on flour, biscuits and fermented products were under great pressure, the chairman explains, "which volume growth would not offset." He adds that Park Cakes Oldham made excellent progress, particularly in its chilled products business with Marks and Spencer.

Stable meat prices, generally buoyant sales, especially under the brand and to Marks and Spencer in the new product areas, and further overall improvement by Walter Holland, were the highlights at Park Farms, Mr Horsley states. Baron

Meats, however, continued to disappoint. The chairman says that North Country Breweries had a better year, soft drinks benefited from a reorganisation and good management controls elsewhere were aided by more stable beer sales.

In the U.S., despite the problems with the industry, Bluebird performed better than expected, with a small reduction in profits. With the completion of reorganisation, some real progress should now be expected, Mr Horsley states.

He adds that Keystone did well, volumes with McDonald's progressed substantially and the consumer service company continued to expand. New ventures in Toronto and Alabama did not contribute in the period.

Trading profits amounted to £56.7m (£47.4m), earnings from investments totalled £4.6m (£5m) and group interest on borrowings took £12.6m, against £12m. The net result was after associates' share and a £1.5m (£1.3m) profit sharing allocation.

Tax charge was up from £8.3m to £11.8m and after minorities, £0.5m (£0.6m) and extraordinary debit of £3.8m (£0.1m credits) profits attributable came out lower at £38.7m, compared with £32.4m.

Extraordinary items include £2.3m closure costs at Bluebird, and a further £8m provision which directors say will adequately cover possible losses arising from the sale of assets.

Mr Horsley says that despite these factors the balance sheet remains very strong, and shareholders' funds over this period have increased by £25m to £216.5m.

See Lex

Westland up to £26m and order book higher

AN INCREASE in sales from £233.82m to £235.98m enabled Westland to see pre-tax profits by 9 per cent to £26.02m for the year ended September 30 1983 against £23.91m previously. Second-half figures dropped from £17.86m last time to £13.7m.

The directors of this maker of helicopters, hovercraft and control equipment say that with the good trading results for the year and an improved order book, they are raising the final dividend from 4.75p to 5.25p net, making a total of 8.25p (7.5p) earnings per share from 26.5p to 32.3p per 25p share.

Westland's current order book stands at £513m compared with £385m a year ago.

New orders gained in 1983 will help activity in group factories to be maintained and will lead to sales after 1984, the directors state. They are not expecting any sales growth in real terms during the current year, but following the current year, they look for some further improvement in margins.

Pre-tax results were struck after an increase to £18.96m (£12.9m) in research, development and launching costs. This substantially higher figure was due to increased development activity and also to a provision for probable rises in production learning and market development costs for the W30 helicopter.

Interest payments rose from £2.4m to £2.6m. At the attributable level, profits were ahead £5.2m at £18.36m, after lower tax of £5.18m (£7.07m) and extraordinary debits of £0.65m (£0.55m). Minority interest took £1.7m (£1.1m). Retained surplus was up from £2.71m to £14.7m.

The directors report that there was a welcome addition to orders outstanding at the end of the year, following the success in winning the Indian Navy Sea King contract and the receipt of important orders for Lynx and Sea King helicopters from the Ministry of Defence. Normalair-Garrett had a good year for orders, while both sales and factory activity were in line with board expectations.

Stocks were kept well under control and debtors and creditors were reduced. Despite a facturer, incurred pre-tax losses of £1.8m, cash flow was favourable, so that with the receipt in July of the first 25 per cent tranche of the £50m debenture issue, bank borrowings were cut by £18m at the year end.

Current cost pre-tax profits were £19.04m (£16.8m).

See Lex

Scottish & Newcastle progress continues with 40% increase

FURTHER PROGRESS was made by Scottish & Newcastle Breweries with first half 1983-84 pre-tax profits advancing by 40 per cent from £22.5m to £31.6m.

The company which produces beers under the brand names of McEwan's, William Younger's, and Newcastle Brown Ale experienced a £28.6m increase in turnover to £348m during the six months to October 30 1983.

At the operating level profits emerged 23 per cent ahead at £35.3m against £28.6m, and the taxable result again benefited from a reduction in borrowings which resulted in a £2.2m cut in financial expenses to £4.9m. Financial income for the period was virtually unchanged at £1.1m.

In the preceding six month period profits expanded by £5.5m to £18.6m and resulted in a total outcome for the year May of £41.1m compared with £32.2m. Turnover for the 12 months was £641.5m against £520m.

The directors are optimistic that, given a buoyant Christmas season and reasonable weather, this year's outcome should show further progress, though at a lower rate than in the first half.

Reflecting on the first half results, Mr David Nickson, chairman, says beer sales were helped by a good summer. While demand for draught beer remained static, canned beers sold well and this sector continues to grow.

Following an increase in last year's final dividend to give a total of 4.66p, the interim payment is lifted to 1.75p (1.5p) net per 25p share.

comment

The hot summer has helped Scottish & Newcastle as much as any other brewer—and more than most in view of its strong take-home business and heavy presence in the Scottish and North-Eastern markets, themselves so weighted in favour of lager sales. This should not deprive the company of credit due, though, for the achievement of an impressive double, with margins and market share increased simultaneously. The revenue gain appears to have been derived in about equal measure from the autumn, 1982 price rises and a volume sales increase in the latest six months—which puts S & N's volume growth well ahead of the overall average. Not to be out-done, non-beer profits have also risen strongly. Hotels both in and out of London have performed well, with about half the company's rooms benefiting from the boom in the capital. Net debt has fallen another £4m or so on top of the £22m reduction in last year's second half, slicing a useful £2.2m off the latest interest bill and pushing debt down to about 30 per cent of equity. Turnover for 1983-84 might now to top £50m by a comfortable margin and the shares at 99p, up 4p, are yielding a prospective 7.5 per cent.

Notts. Brick holds upturn and profits exceed £1m

THE UPTURN at Nottingham Brick continued in the second half and resulted in a three-and-a-half fold increase in full year taxable profits from £298.917 to £1,058m.

Over the 12 months to September 30 1983, turnover expanded by 35.4 per cent to £72m, against £53.2m from 7.3p. The directors propose to divide the existing 50p shares into two ordinary shares of 25p each, and also to allot, as fully paid, two new 25p shares for each 50p share held.

A tax charge for the 12 months of £298,462 against £58,344 left a net surplus of £73,145 compared with £241,575.

Nottingham and Maltby brick factories have produced and sold record number of bricks, and these high levels of trading are continuing in the current year, the directors state.

A modernisation programme has commenced at the

Thurmaston factory, near Leicester, which was acquired in July.

The directors continue to view the prospects for the current year with considerable confidence.

A final dividend of 10p is declared, compared with 5.5p, making a total of £14p against 7.3p. The directors propose to divide the existing 50p shares into two ordinary shares of 25p each, and also to allot, as fully paid, two new 25p shares for each 50p share held.

A tax charge for the 12 months of £298,462 against £58,344 left a net surplus of £73,145 compared with £241,575.

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A modernisation programme has commenced at the

Western Motor Holdings losses rise midway

Increased losses before tax of £440,000 against £401,000 have been shown by Western Motor Holdings for the six months to the end of June 1983. The directors say that a small profit before tax was made in the third quarter of the financial year.

In the previous second half profits of £5,000 were made.

Turnover of this Plymouth-based holding company increased from £17.33m to £19.73m.

At the attributable level, losses were reduced from £433,000 to £299,000 after tax of £3,000 (£4,000) and extraordinary debits and minorities and preference credits.

Losses per 25p share came to 17.26p (17.69p). There is again no interim dividend—the last payment was an interim of 1p net in 1979.

The directors have taken further steps to rationalise trading operations and surplus properties are in the course of disposal. Contracts have been exchanged for the sale of Drake House, Plymouth, for £800,000 with completion at the end of December.

It was not possible to conclude negotiations held with a prospective purchaser of Distributor Deliveries satisfactorily and in view of improving prospects the directors propose to retain this division within the group.

Bambers Stores

Bambers Stores loss of £3.5m in the year to January 1983 may have been understated by £2.6m while shareholders' funds of £15.1m may also have been overstated by up to £6m. The estimated deficiency, for unsecured creditors is estimated at over £10m. The figures were revealed by Mr Philip Monjack, a senior partner of Leonard Curtis & Co., who has been appointed liquidator of Bambers.

Bambers' share dealings were suspended at 12p in September and within days a receiver had been appointed.

Mr Monjack will be assisted in his investigation of the company by a Committee of Inspection, comprising two shareholder representatives and three from the creditors.

Bulmer rises 27% to £9.2m and lifts interim

H. P. BULMER pushed up first half 1983-84 pre-tax profits by 27 per cent from £7.53m to £9.57m, on a 17 per cent rise in turnover to £51.77m excluding exercise duty.

A further improvement in profits is expected for the full year, although in his interim statement Mr Edmund Bulmer, the chairman, says at present it does not seem likely that growth in the second half will reach the rate achieved in the opening half—for the 1982-83 year pre-tax profits totalled £13.52m.

First half earnings are up from 10.67p to 13.14p per 5p share. The net interim dividend is being increased by 0.28p to 2.24p and a bonus issue of two new preference shares for every existing five ordinary shares is proposed.

Trading profits for the period advanced by £1.82m to £9.2m before deducting exceptional debits of £243,000, compared

with £175,000. The trading surplus by activity comprised profit £8.84m (£7.91m), wines, spirits and other drinks £509,000 (£296,000), overseas drinks division £194,000 (£498,000 loss) and pectin division £270,000 (£438,000).

Pre-tax profits were after interest charges of £304,000 (£701,000). Tax charge rose from £1.63m to £2.20m and extraordinary debits accounted for £153,000 (nil).

Profits available to ordinary shareholders emerged at £8.60m (£5.53m) after same-again preference dividend payments of £68,000.

Mr Bulmer reminds shareholders that in his statement in the annual report for 1982-83 he warned that cider sales had been depressed by particularly cold and wet weather in May and June.

He says that this situation was partly recovered in July and August and for the half year the group's UK cider sales volume attained a "modest increase".

Its UK wines, spirits and other drinks trading results showed a considerable improvement.

The bonus issue of preference shares is planned to aid maintenance of the group's independence. Mr Bulmer explains that the sharp rise in the company's shares over the last two years has forced Bulmer family interests in their actual and potential liabilities for capital taxes which can only be met by the sale of shares in large blocks.

Therefore it is proposed that ordinary holders should be given the opportunity of they realising part of their investment without dilution of their proportionate interest in the group's equity.

Stainless

Metalcraft

For the 12 months ended August 31 1983 Stainless Metalcraft topped its prospectus forecast by £51,000 by returning shareholders a dividend of £901,000 at the pre-tax level. The future is viewed with "confidence".

The company came to the United States Securities Market in May this year. Dividend is 2.20p per share. Last year's profits were £685,000.

Turnover amounted to £3.74m (£2.64m). Earnings emerged at £10.4p (6.96p adjusted), pre-tax extraordinary debits of £93,000.

Spencer Clark

Reduced pre-tax losses of £161,000 compared with £875,000 have been shown by Spencer Clark Metal Industries for the second half of September 1983, with profits of £274,000 in the second half. Lower group overheads, borrowings down to a more acceptable level, and a

debt-free issue, bank borrowings were cut by £18m at the year end.

Turnover of this manufacturer of specialist steel expanded from £8.5m to £9.5m. Losses per 20p share were cut from 17.5p to 3.22p.

Smith Whitworth

A smaller than expected loss before tax of £27,000 against £106,000 has been produced by Smith Whitworth for the six months to the end of September 1983. The directors say the order book is much improved and, as forecast, a profit is expected for the full year.

Turnover, which included textile and carpet machinery fell from £803,000 to £778,000. Pre-tax losses were struck at £28,000 (£18,000).

There was a charge for tax this time of £1,000, and extraordinary credits last time of £10,000.

Jacksons Bourne End

Increased sales of shoe components and polystyrene products helped Jacksons Bourne End to achieve pre-tax profits of £168,000 for the 28 weeks ended October 1983. In the corresponding half year losses of £14,000 were incurred but the company returned to the black in the second half.

The net interim dividend is held at 2p from earnings of 7.6p (0.6p loss) per 25p share. Manufacturing turnover totalled £2.67m (£2.41m). Reorganisation cost accounted for £40,000 (nil).

Mr Horsley says that in the milk and dairy division the industry's problems intensified as the year progressed. Margins declined as a result of pressure from retailers. Liquid milk sales, however, became more stable and other fresh milk products "made good progress". Under milling and baking

Downs Surgical losses reduced

AFTER MUCH higher exceptional debits of £479,000, against £108,000, Downs Surgical surgical instruments and appliance manufacturer, incurred pre-tax losses of £198,000 for the six months ended September 30 1983, but these were well down on the previous period's £354,000.

The improvement at the trading level resulted from better margins, a reduction of general overhead costs and a good performance by the overseas companies particularly the U.S. subsidiary.

Directors say that prospects for the second half look reasonable. There has been a noticeable firming up of the order book, particularly in relation to export sales, and a distribution agreement has been concluded with a major European distributor. It is anticipated that an agreement will be concluded with an American distributor early in 1984.

Sales for the six months went ahead from £9.05m to £9.33m and the pre-tax loss was after interest charges of £268,000, compared with £314,000.

The directors propose for the period comprised redundancy and compensation payments, £82,000, stock rationalisation, £306,000, and capitalised tooling expenditure written off £87,000.

Tax charge was much higher at £110,000 (£13,000) and change gains were down slightly at £30,000, against £38,000. Loss per 10p share was 2.05p (2.45p).

There was a single dividend of 0.3p for the whole of last year when losses were £242,000 (£32,000).

The rationalisation programme continues with particular emphasis directed to the reduction of stock and debtor levels, the directors state. In this respect, it has been decided to revise group policies on asset valuation, making the fastest provisions against obsolete and slow moving stocks, discontinued product

ranges and the writing off of tooling expenditure previously capitalised.

The exceptional expenditure provided in the interim statement is considered to be adequate provision to reflect revised policies, they say.

While the rationalisation of existing product range is important, it is not only profitable items are retained, it is equally important, directors say, for future business to carry out research and development into new products.

There are currently in excess of 50 projects under development, the company having successfully completed 29 covering all aspects of the business in the first six months.

The group has won an export order worth over US\$1m (£733,000) for the supply of over 400 lines of generators and gyroacoustical instruments and equipment to the Middle East.

Arlen rights to raise £715,000

Arlen Electrical is to raise about £715,000 net by way of a rights issue of £774,702 11p per share convertible unsecured loan stock.

The issue is on the basis of £1 nominal of stock for every eight ordinary shares. The stock can be converted into American shares between November 15 and December 14 in any of the years between 1984 and 1989 at the rate of ordinary share for each £2 nominal of stock.

G. M. Fifth (Holdings) has undertaken to take up in full its entitlement to 12.8 per cent of the issue, and will subdivide write a further £55,878 nominal

of the stock. The rest of the issue has been underwritten by Arlen's brokers, Eichens Harrison.

The proceeds of the issue will be used to provide the resources necessary for the stocking, marketing and financing of initial sales of the Arlen Pulsestarter, a new long life electronic starter device for fluorescent lamps.

Arlen has developed the pulsestarter in conjunction with Texas Instruments, which will supply the product exclusively to Arlen. The company said that delays in the build-up of component production has resulted in pro-

duction of the pulsestarter not starting until last month.

Arlen announced yesterday its results for the year to June 30 1983, showing turnover at £7.2m (£5.7m), on which the company incurred a trading loss before tax of £3,800—last year's loss was £106,100. Interest charges were down from £306,700 to £174,300 and the pre-tax loss emerged at £183,100, against £472,800. Extraordinary credits added £200,000 (took £359,800). Loss per share amounted to 2.85p (6.82p). The company said that prospects for the next financial year will depend to a significant extent on the new pulsestarter.

Mr Peter Cullen, chairman and managing director, hopes to have at least 12 Cullen's Markets in operation by the end of next year.

The five Cullen's Markets are in Sussex, Kent and Wiltshire

Key Market stores form Cullen's expansion base

A NETWORK of larger branches offering foods at keener prices has been established by Cullen's Stores, the delicatessen and off-licence chain.

Operating under the name of Cullen's Markets, the network incorporates five small supermarkets purchased from Key Markets for £975,000, in the summer and is expected to be increased through an addition of four large Cullen's branches in the early part of 1984.

Mr Peter Cullen, chairman and managing director, hopes to have at least 12 Cullen's Markets in operation by the end of next year.

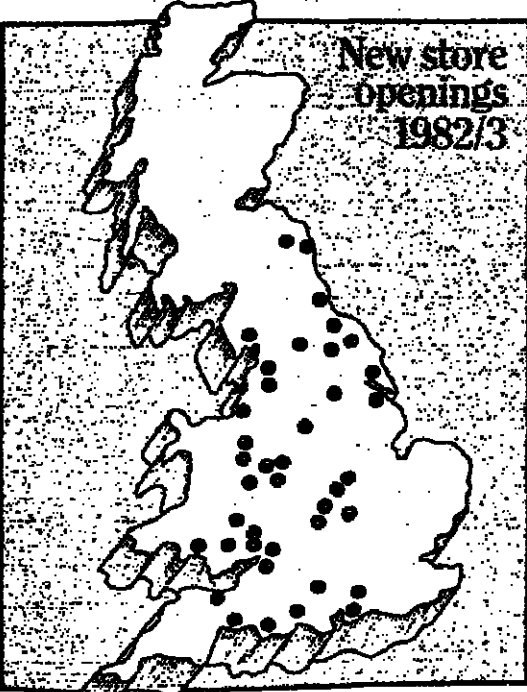
The five Cullen's Markets are in Sussex, Kent and Wiltshire

Mr Cullen says: "The creation of Cullen's Markets is in line with the present policy of seeking supermarkets of up to 5,000 sq ft in areas where the larger chain is not operating. In special cases the company would consider taking on a supermarket with up to 8,000 sq ft, which, while still small by the standards of some rivals, will mark a new style of operations for Cullen's."

Referring to a first-half trading loss, Mr Cullen says that while the company still has a long way to go before it returns to trading profitability, he hopes to be able to report more positively in six months' time.

Forty new stores opened last year

Kwik Save Discount Group, which opened 40 new stores last year, to bring its total to 345, achieved record sales and profits for the 13th consecutive year since becoming a public company in 1970.



Highlights of the year are:

- Turnover — up 13% to £556m
- Profits before tax — up 16% to £27.4m
- Total dividend — up from 6p to 7p per share
- Now trading in wines and spirits
- One-for-One Scrip issue
- Ian Howe to become Chairman after AGM on January 6th, 1984.

KWIK SAVE

Copies of the Report and Accounts are available from the Company Secretary, Kwik Save Discount Group PLC, Warren Drive, Prestatyn, Clwyd, LL19 7THU.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div. year	Total last year
Brunner Iav	0.98	—	0.95*	1.83*
H. P. Bulmer	int 2.24	March 5	1.86	—
Centenary Inds	int 0.65	Jan 16	1.1	—
T. Cowie	1.2	March 8	1.2	2
Fleming Overseas	int 3	Feb 20	3	—
Irish Distillers	5t	Feb 2	3.9	6.5
Jacksons Bourne	int 4.25	Feb 2	2	—
Midgate Inv	int 4.25	Jan 9	2.75	—
Northern Foods Secs	int 10	Feb 24	3.75	—
Nottingham Brick	int 1.0	Feb 22	5.3	14
Redfern Nat Glass	int 0.1	—	5.28	0.1
S. & N. Breweries	int 1.73	Feb 13	1.5	—
S. & N. Breweries	int 1.73	Feb 13	1.5	—
Thorp Group	int 2.5	Feb 14	1	—
Westland	int 8.25	Feb 9	4.75	8.25

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ US\$M stock a 18-month period to March 31. § For three months. ¶ For six months. ** Directors intend to pay final of 1.2p for nine months.

First choice for
top management**PER**Professional
& Executive
Recruitment**Currency
Dealer**Negotiable salary
City of London

Our clients, an international oil group based in the City of London, act as a point of co-ordination for the purposes of currency dealing on behalf of their parent organisation and also arrange finance in the London market. You will be working in the London branch of their office, you must have experience in foreign currency dealing, specialising in dollars, Swiss francs and yen. The successful candidate must be fluent in both Japanese and English and must be in a position to be able to be available for long periods of secondment in Tokyo or in New York. The salary will be negotiable and will be in accordance with the level of experience and expertise that the successful candidate has, however, our clients are expecting to pay in the region of £20,000 to £30,000 per annum.

Send full cv to Maria Williams, PER Central London Office, 4-6 Grosvenor Place, London SW1X 7BS. Please attach a list of companies to whom your application should not be forwarded.

**Company
Secretary
/Chief
Accountant**£12,000 + car
West Sussex

Based at Lancing, West Sussex, The Scout Association require a Company Secretary/Chief Accountant for their trading company, Scout Shop Ltd, with 24 retail shops selling camping and outdoor equipment to both the Scout movement and the general public. Candidates, preferably aged 30-40, will take full responsibility for the administration and supervision of accounts for the company, which has an annual turnover of £5 million. The successful candidate will hold a professional accountancy qualification and have experience of computerised accounting systems. Experience in the retail trade would be an advantage. The company offers a salary of £12,000, company car and a full range of benefits.

Send full cv to Sarah Bartholomew, PER, 53 West Street, Brighton, East Sussex BN1 2BE.

**Senior
Executive
European
Mergers and
Acquisitions**

London

Our client, a major international investment bank, is looking for a Senior Executive to advise its customers through continental Europe on merger and acquisition opportunities involving trans-Atlantic deals. A minimum of four years' experience in this field, including working in both continental Europe and the USA is essential. Fluency in English and at least 2 other European languages is also a prerequisite. Education to at least MBA standard from a major business school will be expected. Compensation will be in line with current market levels and applications should be forwarded by 23rd December.

Send full cv to Barry Johnson, PER Central London Office, 4-6 Grosvenor Place, London SW1X 7BS, attaching a list of companies to whom your application should not be forwarded.

PER, Moorfoot, Sheffield, S1 4PQ. Central 24 hours answering service (0742) 730197.
Applications are invited from both men and women.

**Finance Manager
Trade and Barter**Central London Based
c. £19,000 + car and bonus

Our client is an International Trade and Barter Corporation currently operating as an autonomous division of a multi-national manufacturing, marketing and distribution group.

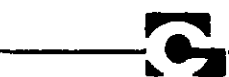
Reporting to the President, this key appointment, which is as a result of a planned growth, carries responsibility to provide financial planning and resources and controls for all Trade and Barter transactions.

Aged 28 to 40, ideally with a linguistic ability in French and/or Spanish, your background will have included:

- * Complete familiarity with Credit Control principles and the financing of international trade.
- * Good knowledge of accounting, basic legal and contract law.
- * Working knowledge of world bank and international funding agencies operations, back to back loans, lines of credit, government financing to end user/buyer, counter-purchase and barter trading practices.

You will be a work orientated individual with a strong personality and good 'presence', capable of negotiating at top level in the international marketplace. In addition to the attractive salary package, major benefits include potential equity participation.

To apply, please write enclosing full C.V. to M. J. R. Chapman, quoting reference 7408.

**Lloyd Chapman
Associates**

123, New Bond Street, London W1Y 0HR 01-499 7761

**Credit
Management**

from c. £18,000 + car + benefits

United Dominions Trust is one of Britain's leading finance companies and a member of the TSB Group. To strengthen our Central Credit Department and plan for the future, we wish to appoint a Deputy to the Manager, at our Head Office in New Barnet.

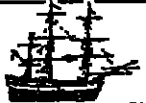
Duties will include: handling and controlling major lending proposals, exercising a personal, substantial lending authority, and contributing to the formulation and control of credit policy and systems.

Candidates, preferably aged between 35-45, should have a relevant professional qualification (e.g. AIB, ACA, ACCA, ACMA, ACIS), and practical experience

in credit and commercial lending.

Salary will be negotiable from c. £18,000 and could be considerably higher for a particularly well-qualified and experienced candidate. In addition, there is a substantial benefits package including: company car, mortgage subsidy, non-contributory pension, BUPA and, if necessary, relocation assistance. Further career prospects are excellent.

To apply, please write with a full cv, or request for an application form, to: Robert Charleston, Personnel Manager, United Dominions Trust Limited, Endeavour House, 1 Lyonsdown Road, New Barnet, Herts. EN5 1HU.

**United Dominions Trust****Pensions Accountant**

Accountancy Qualifications not Essential

London W1

to £12,000

Our client is the UK holding company of a major multinational group employing some 11,000 people in this country alone.

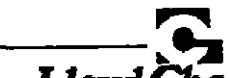
An exciting opportunity has arisen for a talented and ambitious accountant seeking career development.

With Pension funds in excess of £120M, you will report to the Pensions Manager and be responsible for financial accounts, accounting systems and administering investments: you will also assist in the preparation of valuation reports, and have considerable involvement in ad hoc projects.

Aged 25 to 35, with either several years experience in a company Pensions department, or secretarial/accounting division of a large company, you will ideally have a working knowledge of Pensions Legislation and procedures, coupled with an appreciation of computerised accounting systems.

The excellent terms and conditions of employment include a relocation package where necessary.

To apply, please telephone Rebecca Goddard immediately, quoting Ref RG7417.

**Lloyd Chapman
Associates**

123, New Bond Street, London W1Y 0HR 01-499 7761

**Commercial
Director**ENGINEERING INDUSTRY
NORTH OF ENGLAND

Our client is a specialist manufacturing, contracting, and service organisation with a high record of achievement in terms of quality, performance, and profitability. Current group turnover is at the level of £60m and substantial investment in new products continues with the positive result that future business prospects are exciting.

A unique opportunity has now arisen as a Commercial Director is required for the major area of activities whose responsibilities will extend to other functional disciplines. This position reports to the Chairman and the person appointed will play a key role in determining the future business strategy and organisational structure of the group.

The prime responsibility will relate to long cycle and complex projects in ensuring that operating management maintain a full awareness of the commercial implications of failure in meeting agreed standards of performance. This will require a convincing development of methods of planning and control by the utilisation of computer based systems together with a knowledge of quality assurance demands in a high performance environment.

Applications are therefore invited from men or women with a degree or professional qualification who are experienced in the tendering and negotiation of major long term engineering contracts but who can confirm success in areas outside the commercial function. The maximum consideration will be given to those candidates with financial management skills in particular and whose abilities will meet the excellent career prospects that lead to a Board appointment.

In line with the challenge of the appointment a remuneration package will be negotiated at circa £25,000, inclusive of a company car and other employment benefits are in line with those to be expected from a first class employer. Relocation assistance will be given, where required, to a most pleasant part of the North of England.

Please write, in strictest confidence, stating how the requirements can be met to Peter Sadler, RFP, First2.

**PETER SADLER ASSOCIATES**YORK HOUSE, 15 CLIFFORD STREET, YORK YO1 1RG.
TELEPHONE 0904 642 494

Chemicals

**OPERATIONS/
MARKETING
MANAGER**

(Relocate To England)

We are an aggressive medium sized U.S. based chemical company with a young operating subsidiary in N.W. England with present revenues in the 15 million range. This Manager's position must be filled immediately and demands an energetic self starter with exceptional marketing and technical skills.

The ideal candidate should be a degree Chemical Engineer or Chemist who possesses a proven track record which will enhance our growth and profitability through effective management, leadership and marketing skills. This position also requires you to be a U.K. citizen and have the ability to converse fluently in French or German.

If you are sincerely interested in a career advancement along with a challenging and dynamic opportunity, we invite you to submit your complete resume, including salary history and requirements in strictest confidence to:

Write Box AB416, Financial Times
10 Cannon Street, London EC4P 4BY

An Equal Opportunity Employer M/F

**PENSION FUND INVESTMENT**

The British Aerospace Pension Fund, which has assets of over £600m, is setting up an in-house investment department to manage part of its portfolio. Following the appointment of an Investment Manager two further personnel are now required.

Assistant Investment Manager

Applicants should have had several years' experience with either an investing institution or a stockbroker and ideally be familiar with most, if not all, of the major U.K. and overseas securities markets.

Portfolio Manager

Applicants should have had at least two years' experience and be familiar with one or more of the major markets.

As part of a small team the successful candidates will both contribute to the formulation of policy and exercise considerable responsibility for particular areas of investment.

Attractive remuneration related to experience. West End location. Relocation assistance if necessary.

Please write in confidence with full details/CV, including current salary, to:

F. P. Rhodes,
Corporate Adviser - Personnel
British Aerospace PLC,
Brooklands Road, Weybridge,
Surrey, KT13 0SJ.

BRITISH AEROSPACE
Head Office*Manchester Exchange Trust Limited***INVESTMENT ADVISER
LONDON**

Age 25-35: Attractive remuneration package

We are a diversified financial services group specialising in providing short-term investment, funding and other treasury-related services to substantial UK companies and building societies. Continuing expansion has resulted in an opening for another investment manager/dealer.

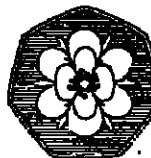
The preferred candidate will have relevant investment experience in short gilts, bonds or deposit markets.

Please reply, with c.v., under personal cover to: N. R. K. Shephard Esq.

Manchester Exchange Trust Ltd.

Pembroke House

40 City Road, London EC1Y 2AX

**COMMISSIONING EDITOR**

c. £20,000 pa 3-year fixed term contract

**FINANCIAL &
INDUSTRIAL
PROGRAMMING
FOR UK
TELEVISION**

Channel Four provides a distinctive new television service which enlarges the scope of British broadcasting and increases the choice available to selective viewers.

We encourage innovation, particularly among British independent producers who are commissioned to make programmes of high quality.

Now we require a Commissioning Editor who can maintain and improve our reputation in the specialised areas of Finance and Industry with an emphasis on scientific and technological innovation.

Operating within an allocated budget, you will obtain programme material within your area of specialisation by commissioning programmes to be made, and by purchasing ready-made film or TV material. You will have creative control over your programme strands and will be expected to manage your resources prudently.

You will require understanding of finance and industry in the context of world markets and should be able to relate to audience needs. You should also have editorial experience within TV, film, radio or print journalism and some appreciation of television production techniques will be an advantage. Creativity coupled with sound judgement and organising ability will be essential. This appointment will be on a fixed-term contract of 3 years' duration.

Please apply in writing only quoting Ref CE4 and enclosing a detailed CV with current salary particulars to the Personnel Department, Channel Four Television, 60 Charlotte Street, London W1P 2AX. Closing date for applications: January 16th.

Channel Four is an equal opportunities employer. Applications are welcome from candidates regardless of marital status, nationality, ethnic or national origins or sex and from registered disabled people.



CHANNEL FOUR TELEVISION

Finance Director

For a leading industrial and commercial research and technology organisation with a turnover of about £16m. It operates from 3 sites in the Home Counties.

- RESPONSIBILITY is to the Chief Executive for all aspects of accounting, financial planning and control, and for playing a key role in formulating and implementing financial and commercial policy.

- THE REQUIREMENT is for a qualified accountant with experience in a technical environment, and the personal attributes to be successful at top level.

- PREFERRED AGE 30s. Salary £26,000 - £28,000.

Write in complete confidence
to A. Longland as adviser to the enterprise.

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FX - TREASURY 1984

Our clients wish to make a prompt and profitable start to 1984 and although realising that bonuses are due to be paid, nevertheless wish to start their recruitment programme now. We are therefore actively seeking experienced treasury and foreign exchange specialists for Switzerland, Bahrain, Kuwait, Australia, New Zealand and London.

As recognised specialists in FX and Treasury recruitment, we can offer you a highly professional and confidential service and would like to hear from you now with your 1984 in mind. Salary range from £15,000 to \$100,000 plus bonuses, etc., a.a.e.

PLEASE CONTACT DUDLEY EDMUNDS

Roger Parker
Organisation

4, London Wall Buildings, Blomfield Street,
London EC2M 5NT.
01-588 8161 Telex 8811725 CITLON G.

As part of their major expansion plans for 1984 one of the City's well known American Investment Banks has created the following positions:-

ACCOUNTANT - TRADING CONTROL

A very specialised role that calls for a qualified accountant with the strength of character to survive in a hectic trading environment.

Responsibilities will be wide ranging, but the emphasis will centre around the verification, control and reporting of the banks' trading results in various volatile financial markets.

This position reports to the Financial Controller and is open to candidates with experience gained from another active trading house.

FOREIGN EXCHANGE ACCOUNTING

This is a similar position to the one above although of a more limited nature, responsibilities in this case will be for controlling, reporting and verifying the results from the banks trading activities in the foreign exchange markets.

GENERAL SERVICES MANAGER

The person sought for this position will be expected to improve efficiency, oversee procedures and control expenditure within the following areas of operation: Communications, Library, Post, Stationery, Catering/Dining Room and Messengers. The GSM reporting to the Operations Manager will be required to make major contributions to the bank in these specified areas. Applicants must therefore be self-starters well used to employing management techniques and be able to exhibit an established achievement record. It is unlikely that applicants under the age of 35 years will be sufficiently experienced.

The remuneration packages will reflect the seniority and importance the bank attaches to these new positions.

Please contact either David Little or Paul Trumble

**Jonathan
Wren**

BANK RECRUITMENT CONSULTANTS

170 Bishopsgate - London EC2M 4LX - 01 623 1266

Credit/Marketing Officer International Banking

SECURITY PACIFIC is a leading U.S. international bank with assets of over 37 billion dollars and nearly 700 branches worldwide.

The current requirement is for a bright, innovative, young banker to join Security Pacific's London-based Middle East Division. The successful candidate will be a graduate who has sound credit skills together with the capacity to develop and manage significant client relationships in a highly competitive environment. Special consideration will be given to applicants who have the ability to support the marketing of electronic banking/cash management products

to financial institutions.

The assignment offers excellent long-term career development opportunities. Compensation will be commensurate with qualifications and experience and will include a comprehensive range of generous fringe benefits.

Career details should be sent to: Patrick J. O'Hara, Vice President, Security Pacific National Bank, 2 Arundel Street, London WC2R 3DF.



SETTLEMENTS MANAGER - INTERNATIONAL SECURITIES

Major multinational financial services company, active in a broad range of international and domestic fixed interest and equity markets, requires an experienced settlements clerk to manage and develop a small team.

Minimum 5 years' experience necessary. City location. Salary negotiable but competitive.

Please write in confidence with curriculum vitae to: Box A8422, Financial Times, 10 Cannon Street, London, EC4P 4BY.

APPOINTMENTS WANTED

GRADUATE CIVIL ENGINEER

Mid 40s, experienced heavy civil engineering, particularly North Sea related, past 7 years financial director of highly successful private construction group seeks temporary position, possibly overseas, where her considerable managerial and negotiating skills can be fully utilised.

Write Box A8418, Financial Times, 10 Cannon Street, EC4P 4BY.

A direct line to the executive shortlist

InterExec is the only organization specialising in the confidential promotion of senior executives. InterExec clients do not need to find vacancies or apply for appointments. InterExec's qualified specialist staff, and access to over 100 unadvertised vacancies per week, enable new appointments at senior levels to be achieved rapidly, effectively and confidentially.

For a mutually exploratory meeting telephone:

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Edinburgh 0272 277315 30 Baldwin St.
Birmingham 021-226 5680 40a George St.
Leeds 0532 450243 12 St. Paul's St.
Manchester 061-236 8409 Faulkner Hse, Faulkner St.

The one who stands out



MARKETING DIRECTOR FOREX

A successful established forex management firm seeks a marketing director to aid in the expansion of its existing business to recognised financial advisers. Candidates should have a City background and at least five years currency related experience. A generous salary plus substantial incentive bonus is payable.

Write with full c.v. to Box A8415, Financial Times, 10 Cannon Street, London EC4P 4BY.

SENIOR CONSULTANTS

Well-established consultancy specialising in the expatriate market seeks two self-motivated marketing-orientated consultants with a high level of technical expertise and preferably some knowledge of expatriate life. Minimum age 30. Basic salary £12,000 per annum plus incentives targeting £30,000 plus per annum.

Satisfactory performance will lead to profit share and possible directorship.

Full CV please to:

PELMICRAIG LIMITED

26 Downing Street, Farnham, Surrey

Corporate Trust Officer

Leading independent Trust Corporation is seeking a suitably qualified person for the position of Corporate Trust Officer.

Applicants will have, ideally, a corporate trust background with experience of the monitoring and administration of Trust Deeds governing quoted Loan Capital, both domestic and foreign. Applicants with relevant legal/financial experience will also be considered.

An attractive and negotiable remuneration package is offered.

Applications in writing to:-

The Secretary

THE LAW DEBENTURE CORPORATION p.l.c.

Estates House, 66 Gresham Street, London EC2V 7HX

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Manchester 061-228 0099

Sunley Building, Piccadilly Plaza

Glasgow 041-332 1502, 141 West Nile St., G1 2RN

Belfast 0232-228768, 22 Great Victoria St., BT2 7ER.

STOCK EXCHANGE

If you are an experienced practitioner and have passed the Membership Examination, you may be interested in joining our panel of tutors for Stock Exchange subjects. Please write for application form and further details to:

The Senior Tutor (DB)
The Rapid Results College
Tuition House
27-37 St. George's Road
London SW19 4DS

All tuition is given by correspondence. You would need a regular amount of free time and the ability to express yourself well in writing. The College will provide guidance in the techniques of correspondence tuition.



Specialists in
Correspondence Tuition
for over 50 years.

University of Strathclyde Bursar

Applications are invited for the post of Bursar of the University responsible to the Principal and Vice-Chancellor for the finances of the University and for buildings and properties. High level managerial experience and ability, and professional or academic qualifications relevant to the duties of the post, will be required. Salary at appointment will be within the range, £20,000 - £25,000 per annum with USS pension benefits.

Further particulars may be obtained from The Registrar, The University of Strathclyde, McCance Building, 16 Richmond Street, Glasgow G1 1XZ.

Applications (including curriculum vitae and the names and addresses of three referees) must be received by the Registrar before 31 January 1984.

ROUGH TRADE RECORDS ADMINISTRATOR CIRCA £12,000 PA

A vacancy exists for a person with administrative, organisational and personnel skills to be responsible for the development and implementation of efficient work systems within a radical and fast environment. The work will involve all aspects of our business although initial emphasis will be the distributive and warehousing activities. Relevant experience preferably with computerised systems is a necessary requirement.

Applicants should submit a full c.v. to:

Box A8421, Financial Times

10 Cannon Street, London EC4P 4BY

Accountancy Appointments

UK Financial Controller

Middlesex

Our client is a UK Sales and Marketing division (t/o \$35 million) of a major US-based business equipment multinational.

Reporting to the Finance Director (European Region), the UK Financial Controller is responsible for all accounting and receivables for the division as well as the Data Processing functions utilising a recently installed IBM System 38 computer. Applicants should be ACAs from one of the "top eight" accountancy firms, will probably be aged under 30 and must have had experience of a sales and marketing environment.

Candidates will be expected to demonstrate exceptional communication skills, staff management expertise and good computer experience.

An attractive package is available for the successful applicant and proven success in this position could well lead to promotion in the UK or USA.

Interested applicants should submit a comprehensive curriculum vitae quoting ref. 959 to Andrew Sales, FCCA, P.O. Box 143, 31 Southampton Row, London WC1B 5HY.



Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

FINANCIAL CONTROLLER (Finance Director Designate)

Based in Bradford, Wm Morrison is a leading regional superstore operator with current year sales in excess of £250m. We are committed to an ambitious expansion programme and in addition to retailing, our interests include food processing and property development.

Reporting to the Managing Director, the right candidate will be ambitious, both personally and for the Company, and can expect a rapid appointment to the Main Board.

Your post qualification experience should ideally consist of a spell with a major professional firm followed by a number of years in fast moving commercial activities. Your responsibilities will include the day to day control of all the Company's administrative and financial functions in a highly developed computerised environment. The main attribute required is the ability to lead and further develop a team of competent, skilled and dedicated people.

The position is very challenging and likely to appeal to you if you are in the age group 32-45. The rewards recognise the importance of this appointment and include an attractive salary, car, non-contributory pension and life assurance, private medical cover and executive share option scheme.

Please write with full career details to Mr KD Morrison, Chairman and Managing Director, Wm MORRISON SUPERMARKETS PLC, Hilmore House, Thornton Road, Bradford BD8 9AX.

An equal opportunity employer



COMPANY SECRETARY FINANCIAL DIRECTOR

A RARE PECUNIARY OPPORTUNITY...

A creative Company Secretary/Financial Director is sought by a progressive, private, family business based in Yorkshire manufacturing and distributing largely retailer-orientated products to in excess of 4,500 customers each week.

The products themselves consist of many component parts, which fluctuate significantly in price, and distribution is by a large number of vehicles in all a complex and challenging business in terms of financial control.

The company has grown significantly in recent years and will exceed a turnover of £20 million this year which is the result of two years' growth at the rate of 20% p.a. Profits have been maintained in excess of 75% of turnover. Further internal growth is anticipated. However, in order to maintain the momentum of growth, the Directors feel that flotation and acquisition should be seriously considered as an avenue for the future.

The individual we seek therefore should have had a substantial record of achievement as a Financial Director and be capable of bringing to the company considerable strength of knowledge and leadership to the financial arena. Some vision on the practical and effective application of computer systems will be considered of great value. Our systems are generally good but will need constant improvement in order that the company may remain competitive and take the additional loads that may occur as the company expands.

Furthermore, the individual should have had considerable experience in dealing with the whole spectrum of matters relating to company flotation on the Stock Market and should be able to advise the Directors accordingly on the whole issue in conjunction with other advisers where necessary.

The financial package will include equity participation and the individual concerned should be capable of instigating and operating a share option scheme.

The Directors feel that the right individual is essential for this position and the financial package is, therefore, entirely negotiable and it may be that the individual will already be largely financially independent.

This is a particularly challenging opportunity for a hard-working individual with the potential of significant financial reward.

A very complete c.v., together with photograph and any samples of work you have done, should be sent for the attention of the Managing Director, Box A8409, Financial Times, 10 Cannon Street, London EC4P 4BY.

The company reserves the right not to identify itself to unsuccessful applicants.

ACCOUNTANCY APPOINTMENTS

Appear every
Thursday



Financial Analysts c£13,000 p.a. Aylesbury, Bucks. West London

Our position as one of the UK's leading record companies and our plans for future growth are placing ever increasing emphasis on the need for greater financial expertise. To meet this demand we now wish to appoint two Financial Analysts, one based at our manufacturing plant at Aylesbury in Buckinghamshire the other at our distribution centre at White City, West London.

A prime aspect of the jobs is the provision and explanation of financial information for the Sales and Marketing functions to operate successfully and profitably within agreed budgets. Apart from developing the principles and parameters of annual budgets you will provide the financial expertise within the management teams of several business units and will be expected to contribute fully to the decision making process.

Ideally aged 25-30 you will be a qualified accountant with a high degree of drive and enthusiasm. Your skill of communicating effectively and persuasively both verbally and in writing will be complemented by the ability to work on your own initiative, and under pressure to meet deadlines.

Both jobs provide genuine opportunities for personal development and career advancement with rewards to match. In addition to a salary of c£13,000 p.a. there is the substantial package of benefits you would expect from a Company of our prominence in the marketplace.

Please write enclosing a detailed c.v. to Henry Gilbert, Personnel Officer, CBS Records, 85 Barby Road, London W10.

CBS RECORDS

Finance Director

An exciting opportunity
in the Leisure Industry

£ Negotiable North London

The Ladbroke Group PLC is a major British Company involved in four principal streams of activity - Hotels, Property, Leisure Time and Retailing - business activities that are providing an excellent base for continued growth and success.

Ladbroke Racing Limited's field of activity is off-course betting where we are market leaders with over 1200 shops in the United Kingdom and a fast developing overseas operation currently comprising 200 shops in Belgium. In addition, the Finance Director will be a Board member of two other associated businesses, Ladbroke Index Limited and Ladbroke Racecourse Management Limited.

Reporting to the Managing Director, the Finance Director will be part of the senior management team responsible for the achievement of the business plan in an industry where new technology is bringing about an exciting new image. The functional responsibilities of the position will naturally involve close control of the Management and Financial Accounting Functions. Equally important and perhaps the most challenging aspects of the role will be the contribution to the overall commercial management of the business, particularly its development in the United Kingdom and overseas involving the evaluation and appraisal of major capital projects, property acquisitions and disposals and the management of networked computer services.

Whilst there is a flexibility for candidates with considerable business acumen, we envisage applicants should be Chartered Accountants aged 30-40, who are able to demonstrate a record of achievement working with progressive companies. This should be supported by some international business exposure. The salary offered is negotiable but we consider applicants should currently be earning c£25K. The excellent benefit package includes an executive share-option scheme. The Group's continuing diversification and growth provide excellent career development opportunities.

Please send full C.V. to K. W. Overton, Managing Director, Ladbroke Racing Limited, Hanover House, Lyon Road, Harrow, Middlesex.

Ladbrokes

CHIEF ACCOUNTANT/ COMPANY SECRETARY

Required for privately owned distribution group £5m turnover (£2m export). Based in East London, suit only qualified person with 5-10 years' commercial experience including computer installations of similar industry/size. Attractive financial package. Position available immediately.

Write with c.v. to:

The Managing Director

Horwood Group Ltd

Caterers House, Selsdon Road

Upton Park, London E13 9BX

Accountancy Appointments

Treasury Executive

This is an opportunity to join the Treasury team of a large public company in Central London. The group has substantial interests in the consumer products industry.

The appointee will be responsible for the operation and administration of centralised foreign exchange transactions, entailing frequent liaison with divisional management and financial institutions. There will also be involvement in sterling cash management.

Prior experience in treasury management is desirable but not essential. Candidates should possess financial skills of a high order. Graduate accountants, MBA's with a

Age 25-30
£14,500-£16,500

relevant background and bankers wishing to gain commercial experience will all be considered.

The salary is fully negotiable and there is an attractive fringe benefit package.

Please write in confidence, quoting reference 2305/L and enclosing career details, to N. P. Hulsey, Peat Marwick Mitchell & Co., Executive Selection Division, 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT
MARWICK

ACCOUNTANCY
APPOINTMENTS
APPEAR EVERY
THURSDAY

FINANCE MANAGER LONDON

UK international trading company seeks CA or equivalent professional qualification with international banking experience and import/export documentation to be responsible for all financial activities of the company and supervision of the accounting department. Candidates ideally aged 30-45 will have proven experience in a similar position. Excellent working conditions and remuneration package.

Please reply in confidence, including cv, to:
Box AB420, Financial Times
10 Cannon Street, London EC4A 3BY

ACCOUNTANCY
ACCOUNTANCY
ACCOUNTANCY

TAX & TREASURY MANAGER
£18,000 + Car

A successful and expanding U.S. company involved in high-technology distribution throughout Europe offers a broad and challenging treasury role. This newly created position reports directly to the VP Finance and is responsible for multi-currency exposure, cash management, risk coverage and European and U.S. taxation. Candidates should be qualified accountants possessing wide head office experience with considerable exposure to the treasury function. BERNES. Ref: JG.

INTERNATIONAL ROLE
£13,500

If you are a young graduate Chartered Accountant, contemplating that important first move out of the profession, a major U.S. corporation can offer you a unique opportunity. As a member of this international audit team you will benefit from an excellent learning environment, enjoy overseas travel and gain exposure to top level management. The company also offers a secondment to the U.S.A. and the opportunity to learn a foreign language per year. LONDON BASED. Ref: JG.

FINANCE CONTROLLER
£13,000 + Car

A small company manufacturing fire detection equipment requires a young, ambitious, qualified accountant to assume responsibility for the entire finance function including company secretarial duties. This expanding subsidiary of a large group can offer exceptional career prospects. Personality and communication skills are as important as technical expertise. HAMPSHIRE. Ref: TAW.

FINANCIAL PLANNING
£14,000

Excellent career opportunity offered by international electronics group. Responsibilities include project analysis, evaluation of marketing strategies, review of multi-million budgets. Candidates should have numerate degree and MBA or accounting qualification, first-class interpersonal skills and ability to work under pressure. NORTH-WEST MIDD. Ref: CV.

ROBERT HALF
LEE HOUSE, LONDON WALL, EC2. 01-606 6771

Qualified Accountant (late 20's/early 30's)

FINANCE DEPARTMENT

Exceptional Career Development Opportunity

Enterprise Oil is a new organisation, with substantial oil interests, based in London and preparing for a Stock Exchange flotation.

The Company seeks to recruit an experienced, qualified accountant with the ability and maturity to make a significant contribution to the development of the Company and the Finance Department in particular. The successful candidate, who is likely to be in his or her late twenties or early thirties, will join a small and flexible team which deals with all financial aspects of the Company. Previous experience of the oil industry is desirable. The successful candidate may well have specialised in a particular area such as treasury or tax work; however initially he or she will be jointly responsible, together with the rest of the team, for all work done in the Finance Department.

This is an exceptional opportunity for someone of proven ability to participate in and develop the Finance Department, and subject to performing up to expectations, to create for themselves a position of significance with very real scope for further career development.

Suitably qualified candidates who consider that they have the ability and experience to help to develop a department and not just 'hold a position' should write, giving full details of age, education, current salary and career to date to: Miss Jane Goddard, Enterprise Oil Limited, Chesterfield House (6th Floor), 26 Fenchurch Street, London EC3M 3DQ.

**ENTERPRISE
OIL LIMITED**

Director of Finance

Swindon

£22,000 + car + bonus

Our client is a leading US group involved in the development of health care technology with a world wide turnover of \$170 million. The UK operation has recently moved to a new freehold site in Swindon and anticipates a 1984 turnover of approximately £10 million.

A high-calibre accountant is now sought to head the total UK finance function and to be responsible for the finance and administration team. Ideally ACA/ACMA's with a manufacturing or process/job costing background, candidates will have had exposure to US reporting techniques and possess a high level of technical expertise. Age indicator: mid 30s.

This challenging role places particular emphasis on the ability to manage a business requiring liaison with marketing, production and general management. Furthermore, the personality and expertise to develop the UK reporting to the US parent company is crucial.

Applicants with a strong personal disposition and acute commercial acumen will find this position stimulating and highly rewarding.

Candidates should write to Philip Cartwright, ACMA, enclosing a comprehensive curriculum vitae, quoting ref. 960 PO, Box 143, 31 Southampton Row, London WC1B 5HY.



Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow



Financial Controller

Wiltshire

£17,000 + car + reloc.

Heron Corporation is one of Britain's largest privately-owned and most diverse groups which has grown consistently since 1965, both organically and by acquisition.

Our client, a Heron multi-located transport subsidiary, now seeks a high-calibre Financial Controller. Candidates will ideally be ACA's, in their mid-30's, with previous experience in a transport/service industry environment. It is likely that the successful applicant will currently be working as a divisional Chief Accountant/Financial Controller in a major group.

Reporting to the Divisional Managing Director with reporting lines to the main board the role's main duty is to administer the finance function of this division. This includes the recruitment and training of an accounts team, the implementation of systems and procedures, and extensive liaison with senior management.

Consequently, an outgoing personality, communicative skills, technical expertise and positive commercial approach are essential. For someone possessing these qualities and upon proven ability, excellent career prospects exist in the medium term.

Candidates should contact Adrian Wheale on 021-643 6255 or write to him enclosing a comprehensive c.v. at 24 Bennetts Hill, Birmingham B2 5QP.



Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Management Systems Accountant

Watford

£14,000 + car

Our client, an operating division (t/o £50 million) of a UK industrial group, seeks a young qualified accountant to strengthen its financial team.

Reporting to the Divisional Financial Controller, this newly-created position will suit an ACA/ACMA, aged mid-20s, who possesses a mature disposition, excellent interpersonal skills and computer systems experience.

This demanding role offers good commercial exposure and involves:

- ★ Tightening up the internal audit function on three manufacturing sites.
- ★ Improving financial information systems, financial procedures and policies.
- ★ Co-ordinating unit procedures to produce a uniform financial system.
- ★ Liaising with both Head Office and field personnel.

Candidates should write to Philip Cartwright, ACMA, enclosing a comprehensive curriculum vitae, quoting ref. 961, P.O. Box 143, 31 Southampton Row, London WC1B 5HY.



Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Retail Auditing Establish your career in our growth industry

£13,500

Imperial Inns & Taverns is the newly-formed managed house company of Imperial Brewing & Leisure Limited, trading throughout England and Wales under the Courage and John Smith's names.

As part of the development of our Finance team, we now require a Senior Retail Auditor to ensure that the integrity of Company accounting systems and procedures, as determined by the Head Office, are maintained throughout the Company's operating regions. Based at our Brentford Head Office you will be expected to travel to the Company Regional offices and Retail outlets throughout the country.

We are looking for a highly competent self-starting individual in his/her early thirties to perform this essential and potentially very rewarding role.

As a professionally qualified Chartered Accountant you will have had at least two years' post qualification experience. Previous Managerial experience and good interpersonal skills are an essential part of this key role.

A salary of around £13,500 will be offered and a company car will be provided together with a range of large company benefits including free private medical health insurance.

Please write giving full details to: Mr M. de Coverly, Resourcing Manager, Imperial Inns & Taverns Limited, Thameside House, 42-50 High Street, Brentford TW8 0BB.

Imperial Inns & Taverns

Financial Controller

Maidenhead,
Berks.

£ Neg +
Quality car

The Company

Syntex Pharmaceuticals Limited, turnover £30 million. Growth 20+ per cent p.a. Employees 300. Research-based manufacturing/marketing organisation. Character is dynamic, goals driven, hi-tech and people-oriented.

The Job

Results from internal promotion. Full responsibility for financial management/advice. Sterling and Dollar accounting, costing and budgeting. Fully integrated operation. Extensive use of computers and modelling. 13 staff. Deputising for Financial Director.

The Person

Must have experience in manufacturing company and in U.S. reporting systems. Graduate with ACA/ACCA/ACMA. Leadership qualities. Preferably 28-35.

The Rewards

Competitive salary (mid teens), quality car, substantial performance bonus, pension, BUPA and a satisfying stimulating job with prospects.

The next step

Phone or write for a full information package including job description and compensation details to:

Andy Hughes, Personnel Director, Syntex Pharmaceuticals Limited, Syntex House, St Ives Road, Maidenhead, Berkshire, Telephone: 0628 33191.



Financial Controllers (2) and Unit Accountant

Three major accounting roles

Wm Cory and Son are responsible for managing the energy, waste, aggregates and distribution activities of Ocean Transport and Trading plc. Owing to an impending retirement and internal career progression they wish to make three financial appointments.

Financial Controllers

The Financial Controllers are required for two of our subsidiaries that are expanding—Cory Coal and Cory Waste Management. It is expected that both people appointed to these senior positions will make a major contribution to such growth, whilst maintaining strict financial control. They will also be responsible for compiling business plans and budgets and will assist their Managing Directors in regular reviews of business performance. The successful candidates must be professionally qualified with at least 10 years' post qualification experience. They must demonstrate sound commercial judgement and proven successes in their career to date. Experience in dealing with large sums in several currencies

often concerned with overseas transactions would be an advantage for the coal appointment.

Unit Accountant

The Unit Accountant will assist the Commercial Manager in analysing the financial performance of existing businesses, monitoring capital expenditure and other financial controls, and, most importantly, in evaluating projects geared to profitable growth. The requirement is for a young confident chartered accountant with first class professional abilities who is keen to contribute in a stimulating environment.

All positions offer excellent career prospects together with a highly competitive remuneration package that includes a company car and assistance with re-location.

Please write in confidence with a concise relevant career history to: Brian Payne, Personnel Manager, Wm Cory & Son Ltd., 98/97 Russell Square, London WC1B 4JP.

Wm. Cory & Son Ltd. CORY

The City University

Finance Office

Financial Accountant

Salary £12,346 to £15,311 p.a. Inc.

This is a key post and carries responsibility for the control and management of all the financial operations of The University which has a turnover of £20 million p.a. Computerised accounting methods are extensively used and the successful candidate will be expected to make a significant contribution to the implementation and development of progressive financial information systems using a new dedicated mini-computer.

Qualities required are technical skills, the ability to manage and motivate staff, to communicate effectively and to perform successfully within a policy of firm delegated responsibility. The right person should have no problem in achieving a high level of job satisfaction.

Applications are requested only from candidates with a recognised accountancy qualification and a proven successful track record in financial accounting.

For further details and an application form, please contact: Ms Jane Cameron, Personnel Recruitment Assistant, The City University, Northampton Square, London EC1V 0HB, Telephone 01-250 1107 (24 hour answering machine). Closing date for receipt of applications: 6th January 1984.

CHARTERED ACCOUNTANTS

If you have qualified within the last two years, please hear about the choice of roles at our expanding, five partner firm in W.C.2. Salary is open as we are anxious to reward only the most able.

01-675-4927

JUST LISTEN

YOU DO NOT NEED TO SPEAK

Bourner Bullock - Sovereign House - 212 Shaftesbury Ave - WC2H 8HQ

هذه امينة الاصل

International Appointments

International Opportunities

Paris Controller to FF 300,000

Our client is a major US "Fortune 500" multinational with extensive marketing, manufacturing and distribution operations throughout Europe. A high-calibre graduate accountant, aged 30-45, is sought to take responsibility of the overall European financial function and to co-ordinate the accounting activities of the Paris Office. Ideally you will be fluent in English and French, have relevant U.S. reporting experience, positive interpersonal skills and a high level of technical expertise.

Please contact Mark Brewer

Brussels Corporate Audit Supervisor to BE 2.0 million

An expanding U.S. multinational seeks a high-calibre professional to strengthen its European Audit Team. In order to perform financial and operational audits together with ad hoc investigations into proposed acquisitions etc.

Candidates should ideally be graduates, aged 25-35, with a minimum of three years audit experience gained in either the profession or industry. They should be fluent in English and one other European language and be prepared to undertake a considerable travel content. Please contact Stephen Raby

Qualified Accountants, aged 25-35, currently working outside the U.K. If you are returning to the U.K. over the Christmas/New Year period and would like an informal, no-obligation discussion on your career requirements, please contact Stephen Raby.

Michael Page International is the specialist division of Michael Page Partnership which recruits solely for non-UK positions in industry and commerce. We are retained by multinational corporations to handle a large number of vacancies at many different levels in a wide variety of locations. If you are interested in the possibility of employment outside the UK, please contact Stephen Raby, Mark Brewer or Stephen Raby on (01) 831 0431 or write to Michael Page International, Sicilian House, Sicilian Avenue, London WC1A 2QJ.

Frankfurt Area Controller to 110,000 DM + car

Our client, a major US Corporation within the consumer goods field, seeks a highly motivated accountant to centralise the finance function within the Frankfurt operations.

Suitable applicants will be fluent in German and English, have exposure within a U.S. environment and possess a high degree of commercial awareness. Candidates who can display a strong record of achievement and good organisational ability will be preferred. Please contact Mark Brewer

Milan Operational Auditor c. 40 million Lira

Our client, an expanding communications group, seeks a young dynamic individual to join its operational audit team. Applicants should be graduates with 3-5 years experience in an international audit firm. Fluency in Italian and English is essential.

Following a period of 2 years within this function, candidates will be expected to move into line management positions. Please contact Stephen Raby



Michael Page International
Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow



HELARB MANAGEMENT S.A. is a Swiss, Lausanne-based investment, industrial management and corporate finance organisation. Our shareholders are Swiss, Kuwaiti and Arabian Gulf financial institutions. Our operations extend from the Arabian Gulf through to Europe and the United States.

Due to growth, increasingly larger project commitments and a need to maintain constant liaison with the Arabian Gulf investment community we now intend to open a permanent office in Kuwait.

To build up, to manage this office and to play a critical role in the business development and growth of the HELARB organisation we now seek a

DIRECTOR—MIDDLE EAST OPERATIONS

who, after a period of four to six months at HELARB's headquarters in Lausanne — with frequent travel to the Arabian Gulf — will relocate to Kuwait for a minimum period of three years. The ideal candidate will be not less than 35, MBA or equivalent, with at least seven years of experience in managing international direct investment projects. The candidate could come from the banking, industrial, international auditing, international engineering, or management consultancy sectors. What is more important is that he is a business building, self-starting professional with a proven track record and able to convince others of his professionalism.

Previous experience in the Middle East would be an advantage. Terms, conditions etc. will be attractive. After a successful stay in Kuwait the man will be relocated to Lausanne and offered further career growth in the HELARB organisation.

Starting date: not later than 1 April 1984.

This is a senior appointment reporting directly to HELARB's chief executive. Inquiries and applications, which will be treated in strictest confidence, should be addressed to:

The General Manager and Chief Executive
HELARB MANAGEMENT S.A.
30, Ave Ruchonnet, P.O. Box 478, CH-1001 Lausanne
Tel: 021/20 12 31 Telex: 25 535

EMPLOYMENT CONDITIONS ABROAD LIMITED

An International Association of Employers providing confidential information to its member organisations, not individuals, relating to employment of expatriates and nationals worldwide.

01-637 7604

MANAGING DIRECTOR FOR A MAJOR BREWERY—NIGERIA

A vacancy has arisen for the post of Managing Director in one of the larger breweries in Nigeria which is part of a major industrial conglomerate. The M.D. will be responsible for the profitable control and day-to-day running of the entire operation.

We are looking for a person with vision and dynamism, strong leadership qualities and the ability to motivate staff at all levels. He must have a sound knowledge of the brewing industry and an understanding of local conditions in Nigeria.

Candidates should be graduates or with suitable professional qualifications with senior management level experience in a related industry and proven knowledge of marketing/sales in a developing country. Excellent remuneration package includes free furnished accommodation, domestic staff, company car and driver, medical services and generous U.K. leave with fares paid.

Please reply in confidence, including c.v., to Box AB419
Financial Times, 10, Cannon Street, London EC4P 4BY

FOREIGN EXCHANGE CONSULTANCY

THE COMPANY

The European subsidiary of a major U.S. Bank, recognized as a world leader in international financial consultancy, is seeking Consultants/Senior Consultants to join their young and highly successful consultancy team based in Brussels.

He/she will join a fast expanding operation with a large client base in Europe, the Middle East and Africa.

THE JOB

The work is wide ranging and entails providing a professional consulting service to major international companies in the U.K. and/or Scandinavia on all foreign exchange and treasury related transactions. Consultancy is given at the highest corporate levels in an international environment with frequent travel.

THE QUALIFICATIONS

He/she will have a MBA or a graduate degree in economics and/or finance. Our candidate will be in his/her late twenties to mid-thirties and must have gained professional experience with the international currency and money markets. Proficiency in English and/or Scandinavian languages is essential. Fluency in further European languages would be a distinct advantage.

EXPERIENCE

The candidate should have worked with a European multinational company/bank for 4-6 years in an international treasury/finance position. The candidate could also have worked as an international economist with active consulting responsibilities. He/she must be a self-starter, individual, who likes to sell successfully a high-priced consultancy product. This position represents very attractive benefits (fringe, tax etc.) and an exceptional career potential for the qualified individual.

Write in full confidence with curriculum vitae under reference H 55 to Agency Havas, 13 Blvd. Ad. Max, B-1000 Brussels/Belgium.

RESIDENT REPRESENTATIVE

A Danish-owned company in the building material sector intends to establish a representative office in Beijing during the spring of 1984.

Applications are therefore invited from suitably qualified candidates for the position of Resident Representative and Head of the company's future Representative Office in Beijing.

Candidates must have experience in similar international fields and command of the Mandarin and English languages. Also required are technical insight and familiarity with the various aspects of the negotiation and implementation of supply contracts.

The successful candidate must be prepared to spend some months in Copenhagen to become acquainted with Head Office organisation and the range of the company's products, prior to being stationed in China.

The post involves a considerable amount of travelling.

Written applications, together with a detailed curriculum vitae, to be sent to Box A.8406, Financial Times, 10 Cannon Street, London EC4P 4BY

AUSTRALIA

Commercial Continental Limited is a member of the Australian Merchant Bankers Association, and is partly and equally owned by Commercial Bank of Australia, National Australia Bank and Savings Bank.

General Manager Treasury circa \$A100,000

Reporting to the Managing Director, the General Manager Treasury will carry profit responsibility for a division comprising the International Money Market, Fixed Interest and Futures trading operations. Candidates must offer broad trading experience and knowledge of both the Australian domestic and hedge markets and the international currency markets.

Chief Dealer Foreign Exchange/Hedge Market circa \$A60,000

The Chief Dealer will report to the General Manager Treasury and will be responsible for all hedge market and foreign currency trading activity as well as treasury activity. Foreign trading experience is a prerequisite for this position. In both cases, successful experience is the key rather than age or qualifications. Candidates will probably not be necessarily have worked with Australia and overseas. They will be Australian citizens or persons definitely intent on settling in Australia. These are career posts. Persons interested are asked to send a copy of their full curriculum vitae to:

Roger Lawson
COMMERCIAL CONTINENTAL LIMITED
10 Spring Street Sydney
N.S.W. 2000 Australia

Candidates are assured that their submissions will be treated with complete confidence and that interviews have been held with the international firm of consultants conducting the company to make these appointments. So far as possible, initial interviews will be in the country where a candidate of interest is resident.

Ministry of Finance Financial Adviser (Internal Audit)

KENYA

Duties: To advise on the structure, procedures, and introduction of internal audit, and subsequently to advise on implementation.

Qualifications: Applicants should be U.K. citizens and should be professionally qualified in accountancy with at least 5 years experience in internal audit and experience in training in the same field.

Appointment: 30 months. Salary (U.K. taxable) in accordance with qualifications and experience, plus a tax-free Foreign Service Allowance currently in the range of £1,165-£2,905.

The post is wholly financed by the British Government under Britain's programme of

aid to the developing countries. In addition to basic salary and overseas allowances other benefits normally include paid leave, free family passages, children's education and holiday visits, free accommodation and medical attention.

For full details and application forms please apply, giving details of age, qualifications and experience to: Recruitment Executive, Overseas Development Administration, Room AH 309,

Abercrombie House, Eaglesham Road, EAST KILBRIDE, Glasgow G75 8EA

OVERSEAS DEVELOPMENT

BRITAIN HELPING NATIONS TO HELP THEMSELVES

صندوق النقد العربي

معلن صندوق النقد العربي - ومقره أبوظبي، الإمارات العربية المتحدة - عن رغبته في تعيين موظفين لشغل الوظائف التالية:

م	مسمى الوظيفة	المؤهلات والخبرة
1	باحث أقدم	دكتوراه في الاقتصاد مع خبرة لا تقل عن 5 سنوات في مجال الدراسات المتعلقة بالوضع النقدي الدولي والاقتصادية وموازن المدفوعات في الدول العربية ودول العالم الرئيسية أو ما يجتبر مع خبرة لا تقل عن 7 سنوات. إجادة اللغتين العربية والإنجليزية.
2	باحث مساعد	ماجستير أو بكالوريوس في الاقتصاد مع دراسات الاحصاء التطبيقي وخبرة لا تقل عن سنتين في الدراسات والأبحاث الاقتصادية. إجادة اللغتين العربية والإنجليزية.
3	اقتصادي أقدم	دكتوراه في العلوم الاقتصادية مع إتقان في النقد والتطبيق أو في العلاقات الاقتصادية الدولية أو الاقتصاد التطبيقي وخبرة لا تقل عن 10 سنوات. ويغفل من له خبرة سابقة في مؤسسات مماثلة للصندوق، أو المؤسسات النقدية أو المصرفية الدولية. إجادة اللغتين العربية والإنجليزية.
4	اقتصادي	دكتوراه في العلوم الاقتصادية مع تخصص في الاقتصاد الريفي أو القياسي أو التنمية الاقتصادية والتخطيط الاقتصادي وخبرة لا تقل عن 6 سنوات في هذه المجالات. إجادة اللغتين العربية والإنجليزية.
5	اقتصادي مساعد	ماجستير في الاقتصاد مع تخصص في الاقتصاد العام أو المالية أو التجارة الخارجية، وخبرة في هذا المجال لا تقل عن 3 سنوات. إجادة اللغتين العربية والإنجليزية.
6	محل نظم	خبرة في مجال النظم والبرمجة ومعرفة لغة COBOL. يغفل من عمل على أجهزة WANG-VS ومن له المام بالتطبيقات المالية وإدارة بنوك المعلومات. DATA BASE. إجادة اللغتين العربية والإنجليزية.

- الراتب: يحدد حسب المؤهلات والخبرة.
- مزايا أخرى: سكن، أثاث، بطاقات سفر إلى بلد الجنسية، تأمين طبي، وتأمين على الحياة.

تقدم الطلبات خلال أسبوعين من تاريخ نشر هذا الإعلان، باسم "رئيس الدائرة الإدارية" ص ب: 2818 - أبوظبي - الإمارات العربية المتحدة.

INTERNATIONAL APPOINTMENTS
APPEAR EVERY THURSDAY

UK COMPANY NEWS

BIDS AND DEALS

Redfearn Glass loss rises to £3.7m as price cuts take toll

Redfearn National Glass fell further into the red in the second six months to October 2 1983 to £3.7m, as against a pre-tax loss of £2.7m in the previous six months. At the interim stage, the company reported losses up from £2.2m to £3.7m.

Full year sales of this manufacturer of glass and plastic containers dropped by £2.65m to £63.4m. The directors say the main cause of the loss was price cutting of glass containers, which reached a peak in 1983, although a contraction in volume sold was a contributory factor.

In order to maintain trustee status for the shares, there is only a nominal dividend of 0.1p per share for the year, against 8.25p before. Loss per share came to 61.6p (£5.76p earnings).

The directors believe that the worst effects of price cutting are now behind the company and that the consolidation of glass operations at the Barnsley site will yield substantial cost savings and enable it to increase efficiency.

Of the total estimated closure costs, £2m is for the cost of redundancies and £3.3m for the write-off of assets. Provision has also been made for the cost of removal and reinstallation of plant at the Barnsley factory and other costs connected with the closure.

Group operating loss for the year amounted to £2.08m (£2.93m profit) before redundancy costs of £416,000 (£366m) and net interest payable of £1.23m (£1.29m). There was a tax charge of £5,000 (£218,000) and after extraordinary items and dividends, the company was left with a deficit of £9.19m (£152,000).

The directors say they were compelled by the overriding need to reduce costs and restore profitability to announce in August the decision to close the York factory and to concentrate production at Barnsley. The costs of the closure, estimated

at £5.45m, are shown as an extraordinary item in the profit and loss account.

The decision to close the York factory was taken after nearly 200 years operation from the Fishergate site. A total job loss of some 650 will take place consequent upon the closure and from other redundancies. Unused production capacity at Barnsley has been brought on stream which will minimise production loss and improve utilisation substantially.

To complete the utilisation of resources, the company plans to move its head office to Barnsley next spring, which will give it further advantages of economy and control.

comment

Redfearn's figures are so ghastly as to defy superlatives. The attributable loss, with extraordinary items, has written off more than half of shareholders' funds, and gearing has shot from last year's 59 per cent to 150 per cent. On a current cost basis, the loss per share before extraordinary items is more than the price which fell 15p to 73p. Optimists would say that the company has nowhere to go but up and they might be right. All production has now been crammed into the Barnsley factory, which is one of the best and most modern in the business, and which can cope with maybe 90 per cent of previous volume at very much reduced cost. Above all, the 5 per cent price increase has been in effect for three months now, whereas last year's 5 per cent rise was never really implemented at all. The industry has finally reduced its capacity to within shouting distance of market requirements, and if Redfearn's two big competitors have not now tired of losing each other to death, they never will. There will be two years to wait for significant profits and dividends, but for gamblers the shares might not be a bad buy.

Thermal Scientific ahead to £204,000

IN LINE with expectations at Thermal Scientific pre-tax profits came to £204,000 compared with £156,000 for the six months to the end of September 1983. The directors say the company is on course to achieve the profit forecast of not less than £240,000 in the placing document when the company came to the USM last August.

Sales of this maker of electrical laboratory furnaces and thermal analysis instruments increased from £1.7m to £2.15m. The directors point out that figures reflect the trading position of the group as if it had been formed from April 1983. About £73,000 of pre-tax profit relate to pre-acquisition profits.

Thermal Scientific was formed last July as a holding company to inherit by way of demerger Carbott Furnaces and to acquire Stanton Redcroft. Finance of this transaction was achieved by the USM placing.

There is no interim dividend in accordance with the intention in the placing document, which stated that a final 1.5p was predicted.

Attributable profits came from ahead from £83,300 to £118,400, and earnings per 25p share as 2.98p against 2.34p.

Yearlings total £19.5m

Yearling bonds totalling £19.5m at 94 1/2 per cent were issued this week by the following local authorities:

Basingstoke & Deane Borough Council £0.25m; Basildon District Council £0.25m; Southwark (London Borough of) £1.0m; St. Helens (Metropolitan Borough of) £1.0m; Torfaen (Borough of) £0.25m; West Dorset DC £0.5m; Carlisle (City of) £0.5m; Lambeth (London Borough of) £1.0m; Lancashire County Council £1.0m; East Kilbride DC £1.0m; Hillingdon (London Borough of) £1.0m; Thamesdown DC £1.0m; West Yorkshire Metropolitan County Council £0.5m; Dudley Metropolitan BC £1.0m; Hereford City Council £0.5m; Thameside MBC £0.5m; Walsborough DC £0.25m; Wirral Metropolitan Borough £1.0m; Cambridge City Council £1.0m; Central Scotland Water Development Board £0.5m; Chiltern DC £0.5m; Sheffield (City of) £2.0m.

Irish Distillers ups profit despite fall in spirit consumption

Despite lower turnover of £112.99m, against £113.05m, the Public Sale, Irish Distillers Group raised pre-tax profits from £7.44m to a record £9.71m for the year ended September 30, 1983. Mid-term taxable figures had risen from £4.48m to £4.55m. A final dividend of 5p net raises the total payment by 1.5p to 6.5p, against a forecast of not less than 6p, made in March at the time of the £9.95m rights issue. Earnings per 25p share rose from 15.7p to 17.25p.

Taxable results were struck after depreciation of £2.19m (£2.05m), lower interest charges of £2.24m (£2.47m) and share of associates' profits up from £49,000 to £71,000.

Tax took £330,000 (£300,000), minorities accounted for £15,000 (£15,000) and last year there was also an extraordinary debit of £3,03m.

The group's freehold and leasehold properties were revalued at September 30, 1983 on an open market value basis. This led to a surplus of £4.95m, which was incorporated into the books at that date.

The improved profits were achieved despite the steep decline in spirit consumption in the Irish Republic, writes Brendan Keane in Dublin.

Spirit sales are now 34 per cent below the peak of 1979 and 1983 continued the trend with a 16 per cent drop. The company believes that all but 10 per cent of the four year drop is due to increases in excise duty and VAT on spirits in recent Irish budgets.

Despite the increases, the fall in sales has more than cancelled out the extra revenue so that the company's payments to the Excise were down £9m this year.

The company has disclosed that 27 per cent of its 1982-83 turnover went into other products such as liqueurs. IDG's improved profitability also owes much to the strength of the dollar in a year when U.S. sales were a record 320,000 cases.

The company's shrinking home market has forced it to concentrate on exports, particularly to the UK and U.S. IDG believes its association with distributors Matthew Walker & Co. proved a success and depletions in Britain were up 34 per cent last year, although the company has still only a fraction of the British whisky market.

IDG's rights issue earlier this year has placed it in a good position to expand exports, with a debt/equity ratio of 32, as compared with 56 before the issue.

Mr Richard Burrows, managing director, concedes that it is a formidable challenge to expand into new markets from a stagnant home base. He is hoping for some help from Irish Finance Minister, Mr Alan Dukes, next month.

Hanson Trust sells 4% holding in Tate & Lyle

By DAVID DODWELL

Tate & Lyle shares slipped by 10p yesterday to close at 379p, following reports in the stock market that Hanson Trust had sold its 4 per cent stake in the company for 372p a share.

Market speculation that Hanson Trust—the industrial holding company which has liquid resources amounting to about £400m—was preparing to mount a bid for Tate & Lyle chased the sugar refiners shares up to 410p at one stage last month.

Neither company would comment yesterday on whether any share sale had taken place, in-

deed, Hanson Trust has never opened admitted it held any Tate & Lyle shares. However, market sources reported that Hanson had put through 275m shares—amounting to 4.03 per cent of Tate & Lyle's share capital. At a sale price of 372p, Hanson will have added £10.2m to its cash pile.

In April this year, Hanson Trust paid £280m for UDS, the multiple and chain stores group, after a fiercely fought takeover contest. Since then, it has sold three UDS subsidiaries—the Richard Shops womenswear

chain, John Collier the menswear retailer, and William Thompson, the shoe shop chain, for a total of £144m.

It has meanwhile built up a 9 per cent stake in London Brick, the monopoly supplier of Beton bricks in the UK which earlier this year successfully fought off a bid from Bstock Johnson.

A company spokesman said yesterday that Hanson Trust maintained an interest in buying appropriate companies either in the UK or abroad, but would not disclose whether any specific bids were being considered at present.

BCA builds up in the U.S. with £2.5m cash purchase

By DAVID DODWELL

Mr David Wickins' British Car Auction Group yesterday revealed that it had reached agreement through its wholly-owned U.S. subsidiary for the purchase of West Palm Beach Auto Auction in a cash deal worth \$3.5m (£2.5m).

Anglo American Auto Auctions, the subsidiary through which BCA has purchased seven other car auction companies in the U.S. over the past 18 months, has agreed to pay \$3m on completion of the deal with the Florida-based company, with the balance of \$500,000 being paid in a year's time.

A spokesman for BCA said in London that no further purchases were currently being sought, but that the group maintained an interest in expanding its car auction business in the U.S. The eight deals since May 1982 have cost the group an aggregate of more than \$30m.

BCA, one of the leading auctioneers in the UK of private and commercial vehicles, now has two car auctioneers in Florida. This part of the U.S. is

an important holiday area, with many holidaymakers renting second-hand cars for transport during their vacations.

West Palm Beach operates two auctions, one in West Palm Beach itself, and the second in Fort Lauderdale. Net tangible assets have been arranged at \$1m. Net profit before tax for the year that ended on October 31 this year was \$480,000. Mr William B. Kemp, the president of West Palm Beach who has operated the auctions since the 1950s, will remain in the company "for at least one year."

Mr Wickins has been an active dealer in the UK stock market over the past year, as well as in the U.S. He has significant stakes in Attwoods Group Lotus (where he is chairman), Cope Allman (following an abortive bid for the company as a member of the Dowdall Corporation), and I.D. & S. Rivlin.

In September this year, BCA bought a 20 per cent stake in the U.S. quoted vehicle leasing group, Sandgate.

Caparo sells Lawrie to management

Barton Group, a wholly owned subsidiary of Caparo Industries, has entered a conditional sale agreement to sell Lawrie, a waste and scrap disposal business based in Aberdeen.

Caparo will receive £772,000 in cash including the exercise by Lawrie of an option relating to land in Aberdeen and repayment of an intra group loan. Borrowings will be reduced by about £600,000.

"It was a small little business, away from our main stream concern, which we are selling to three members of Lawrie's present management," said Caparo chairman Suraj Paul.

The agreement for sale is conditional upon the approval of an Extraordinary General Meeting of shareholders to be held on December 30. A circular has been dispatched to shareholders.

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Centreway Industries rises to £133,000 at 3 months

INDUSTRIAL HOLDING company Centreway Industries advanced from a break-even position to pre-tax profits of £133,000 in the three months to June 30 1983, on higher turnover of £5.9m, against £5.57m. The company, which is 57.6 per cent owned by Centreway Trust, has changed its year end and the current accounting period is the last nine months of 1983.

The interim dividend of Centreway Industries is set at 0.6p, which compares with 1p (adjusted for share split) for the first half of the previous year. The directors intend to pay a final 1.5p, making 1.5p for the nine months, which on an annualised basis is 2.4p (2p).

Centreway Trust, whose ultimate holding company is Centreway Group, is again not paying an interim and intends to consider the nine month payout when the final results are known. In the meantime the trust is to seek approval to split its 50p shares into five 10p units to widen the market in its capital.

The Centreway Industries directors say prospects for the remaining six months are satisfactory and the outlook for 1984 is encouraging. It will be the first year to include a full 12 months contribution from the 50 per cent interest in Servis Domestic Appliances and recently acquired computer division. All other divisions are expected to show further progress in 1984, the directors add.

Trading profits for 1984 are £145,000 (£132,000) and there were central group costs of £53,700 (£49,000) and net in-

terest payable of £125,000 (£100,000). Taxable profits include investment income of £1,000 (£17,000) and an associates' contribution of £165,000 (nil).

There was no tax charge (£50,000) leaving net profits of £133,000 (losses £5,000) and stated earnings per share of 0.91p (losses 0.37p). There were extraordinary debits of £221,000 (£253,000) comprising goodwill on acquisitions of £240,000 (£40,000), a share of related companies provisions for reorganisation costs of £81,000 (£13,000) and reorganisation and closure costs in respect of termination of subsidiaries trading activities of £140,000 (£13,000).

At the taxable level, Centreway Trust moved from losses of £20,000 to profits of £37,000. These included investment income of £1,000 (£17,000) and extraordinary profits of £165,000 (nil), but were struck after central group costs of £143,000 (£100,000) and net interest payable of £125,000 (£100,000).

The trust's turnover advanced from £5.04m to £5.48m. There was a nil tax charge (£5,000), minority debits of £71,000 (£13,000) and extraordinary debits of £123,000 (£34,000) leaving attributable losses of £107,000 (£57,000). Losses per share are given as 3.3p (£4.9p).

The directors say the prospects for the rest of the accounting period are satisfactory and for 1984 they are encouraging because of the much improved outlook of Centreway Industries.

Turnover of deep freeze packager Thorpe Group rose slightly from £1.4m to £1.47m for the six months to September 30 1983, but pre-tax profits of this USM company were lower at £33,000, compared with £58,000.

There is no tax (£5,000 charge) leaving earnings per 5p share down to 1.4p, against 2.3p where there was also an extraordinary debit of £4,000. The net interest payable is unchanged at £1.0m, but pre-tax profits of this USM company were lower at £33,000, compared with £58,000.

The directors explain that although sales of freezer appliances and accessories were maintained, profits slipped as a result of increased costs. These were incurred mainly in the launch of a new range of microwave cookware, which has been well received by the trade and the public.

The directors are confident that the growth in sales of this range will continue, bringing an improvement in profit margins in the future.

Although conditions continue to be difficult in the book publishing industry, the directors are confident of a successful recovery in the 1984-85 year.

Meanwhile, for the six months ended September 30 1983 the company suffered higher pre-tax losses of £49,230, against £29,494 over the same period in 1982. Dividend, loss per 25p share was 4.4p (1.9p). Turnover totalled £25.6m, against £22.4m.

Palma Group, formerly Montfort Knitwear Mills' public limited company, prospectus today on the placing by County Bank of 537m ordinary shares of 25p at 37p each, raising £17.7m.

The company is expected to begin on December 20.

Palma completed its reversal into Montfort yesterday when Montfort shareholders at an extraordinary general meeting agreed that the company purchase Palma, and that Montfort should then change its name to Palma Group.

The new company, which manufactures children's hosiery and knitwear, will have a turnover of more than £20m and at the placing price of 37p per share has a market capitalisation of £20.45m.

The funds raised will be used in part to finance a new computerised manufacturing machinery.

COMPANY NEWS IN BRIEF

Further financial support was necessary because of the continuing losses and the directors have agreed to increase the loan to £1.5m for a further £2m in loans.

Losses per 25p share for the six months came to 13.51p (17.7p).

Menara's offer for sale of 2.6m ordinary shares at 95p each attracted over 1,100 applications for about £5m, according to the interim stage, say the directors, but they are confident that year-end results will show an improvement.

Current workloads are satisfactory and the costs of establishing regional offices charged during the second half and benefits will not be reflected in profits until 1984-85.

Turnover for the first half slipped from £5.7m to £5.25m. In the last full year pre-tax profits came to £343,000 on turnover of £14.94m.

Earnings per 10p share for the first half fell from 1.05p to 0.77p. The interim dividend has been lifted from 0.325p to 0.425p net, but this should not be taken as an indication of the amount by which the total will exceed 0.7p paid last year. Shares are dealt in the market created by Granville and Company.

Newman Industries has reached agreement with the Stanley Thomas Johnson Foundation of Berne, for immediate repayment of short-term loans due to the foundation and settlement of the outstanding interest. The company has agreed to pay a cash payment of Sfr 8.48m (£2.88m). This has been financed by the UK Temperance and General Provident Institution and the Midland Bank. As a result the structure of the company's balance sheet will be improved and its exposure to foreign currencies reduced.

At the annual meeting of Castle (GB), the directors stated that at Interbuild, the Nations Building Exhibition orders had been received for new kitchen displays valued at almost £4m. The exposure in terms of display will represent a 40 per cent increase.

Castle Bathrooms sold displays valued in excess of £1m, which will represent a 200 per cent increase in exposure.

A new low price suite was also introduced and orders were taken for over 2,000 of these. Benefits will begin to take effect early next year and future prospects look "excellent," say the directors.

move from the profits plateau of recent years into a period of profits growth.

In line with expectations at United Holdings, pre-tax profit declined from £262,000 to £178,000 for the six months to October 1 1983. Interior contracting and international divisions both received bigger orders at the interim stage, say the directors, but they are confident that year-end results will show an improvement.

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BIDS AND DEALS IN BRIEF

In April, shareholders of Albert Fisher Group approved the purchase of Wentworth Import and Export. The agreement provided for a deferred consideration of up to £250,000 to be calculated on the basis of 55 for every £1 by which audited pre-tax profits of Wentworth for the 14 months to March 31 1984 exceeded £120,000.

In the event Wentworth has achieved profits of £260,000 to November 24 1983, as shown by the management accounts. The Fisher board has therefore determined that useful management and commercial advantages will be achieved by accelerating the timing of the satisfaction of the deferred consideration.

The board of Fisher (excluding D. G. Pearce, a vendor of Wentworth) accordingly has agreed to satisfy the deferred consideration of £250,000 by the issue of 357,143 ordinary in Fisher at 70p per share.

The vendors have agreed not to dispose of the Fisher shares prior to March 31 1985 and the shares so issued will not rank for the proposed dividend of 1p, payable on January 13 1984.

The proposed mergers between Reed Steanhoe Companies and Steanhoe Holdings and Stockley

Developments and Trust Securities are not to be referred to the Monopolies and Mergers Commission.

Imperial Chemical Industries have been notified by Morgan Guaranty Trust Co. of New York that they have an interest in \$98,177,835 ordinary of ICI of which \$54,010,360 is registered in the name of Guaranty nominees.

DRG and Evode Group have agreed terms for the acquisition by Evode of the DRG adhesives business of DRG Kwaeng Products. Completion will take place on March 31, 1984.

Hifo manufactures hot melt double glazing sealants and hot melt adhesives. Although peripheral to the activities of DRG, the DRG business is highly complementary to Evode's existing product range and will further increase its market share in industrial adhesives generally and double glazing in particular.

Evode will pay a total of £710,000 for goodwill, know-how and plant and, in addition, it will take over stock at valuation. Evode intends to integrate the Hifo business on to the Stafford Hifo site during April, 1984.

However, the respondents to the survey indicated that hope still reigns—at least, as far as gold is concerned—with an expectation that spending on exploration will rise in 1984-85 to AS\$35m from AS\$34.3m in 1983-84.

Aggregate net profits of the respondents were more than doubled in 1982-83 to AS\$17m from AS\$17m. The effective after-tax return on average 20 per cent of the total assets amounted to AS\$25.55m, up from AS\$19.76m a year previously.

It also has a loan burden which is being reduced and this takes priority over dividends, the last payment having been of 6 cents (3.5p) for 1976-75. But the mine has sizeable ore reserves and as a marginal producer its fortunes would be very responsive to any sustained recovery in the bullion price.

Leigh Interests, the waste management group, has sold the shares of Mothershead and Smith, its Ford dealership in the Midlands, to a Midlands-based motor group. The consideration of £200,000 was paid in cash on completion. Leigh's parent company, loans of £250,000 will be repaid in full over six years.

Mothershead and Smith made a loss before tax of £45,000 for the year ended March 31 1983. Leigh's chairman, Mr William Pybus, comments that the sale is in accordance with the group's policy of divesting itself of activities outside the main stream waste business.

MINING NEWS

Australian mining companies reduce capital spending

By KENNETH MARSTON, MINING EDITOR

A SHARP fall in capital spending by Australian mining companies in the current fiscal year to next June is forecast by the Australian Mining Industry Council (AMIC). Expenditure on total fixed assets is expected to drop to AS\$2.5bn (£1.49bn) from AS\$3.1bn in 1983-84, from AS\$3.2bn in 1982-83.

The 130 companies which responded to the AMIC annual industry survey forecast a drop in spending on mining assets of about 1983-84 to AS\$1.7bn from AS\$2.2bn. Expenditure on smelting and refining assets was considered likely to fall to AS\$1.1bn from AS\$1.07bn.

A major factor in the lower spending forecast is the completion, or near-completion, of major mining and smelting projects which were launched when demand for minerals was still strong.

This is a bull point in the sense that the Australians have an advantage in spending much of which is paid for. On the other side of the coin, another reason for the expected reduction in spending is the deterioration in Australia's export competitiveness and the world over-supply position in coal and most metals.

AMIC said that the decline in spending on refining and smelting assets was particularly appointing as greater downstream processing has been widely advocated to add value to exports of minerals.

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Lorraine may boost gold ore production

THE possibility of further raising annual ore production to some 2m tonnes from the present level of around 1.5m tonnes in order to reduce unit costs is being considered by the Anglo-American-owned Lorraine gold mine in South Africa's Orange Free State.

In the annual report for the year to September 30 Mr D. J. Crook, the chairman of the property, said that the mine is currently operated by Westley Mines with a 82 per cent interest.

Lacana is now to become the operator, providing technical and financial assistance to bring the property to production at a minimum mining rate of 650,000 tons a year.

Lacana must make a production decision by December 1985 and will earn a 51 per cent interest. Westley will retain a 40 per cent stake in net profits and Brican Resources 9 per cent.

So far, Santa Fe is estimated to contain sulphide ore reserves of 4.5m tons grading 0.06 oz (2 grammes) gold and 0.08 oz (2 grammes) silver per ton. Oxide ore reserves are put at 5m tons grading 0.04 oz (1.2g) and 0.45 oz (14g) silver per ton.

But depressed markets for scheelite (a tungsten ore mineral) have resulted in further cutbacks in production at the group's operations at King Island off the coast of Tasmania.

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Over-the-Counter Market

1982-83	High	Low	Company	Price Change	Gross Yield	P/E	Fully Paid
142	130	120	Ass. Int. Ind. Ord.	121	6.4	5.2	7.0
158	171	161	Ass. Int. Ind. Ord.	161	6.4	5.2	7.0
76	57	47	Airbus Group	76	6.1	8.0	21.7
46	21	16	Armstrong & Rhodes	28	2.7	2.8	10.6
280	285	280	Barton	28	2.7	2.8	10.6
54	53	52	Bray Technologies	54	2.7	2.8	10.6
151	100	90	CCCL 11pc Conv. Pref.	147	15.7	10.7	—
279	100	90	Condon Group	107	17.4	17.8	—
86	45	35	Deborah Services	51	6.0	11.8	23.4
180	77	67	Frank Marshall	169	8.7	8.1	7.1
182	75	65	Frank Marshall Ord	169	8.7	8.1	7.1
38	39	38	Frederick Parker	38	1.7	18.2	2.4
56	32	22	George Blair	30	7.3	14.8	13.9
100	50	40	Ind. Private Equity	100	12.1	7.7	—
220	100	90	Isis Conv. Pref.	220	4.0	1.7	—
114	47	37	Jackson Group	222	11.4	5.1	12.3
217	111	101	James Burroughs	227	4.0	1.3	22.3
297	276	266	Minihouse Holding NV	297	2.0	1.3	22.3
290	121	111	Robert Jenkins	290	2.7	3.5	10.0
54	54	53	Scurum	54	5.8	9.8	8.8
176	76	66	Torrey & Carville	176	1.0	5.8	11.1
432	386	376	Trevion Holdings	432	6.8	7.7	10.2
39	17	10	Unilock Holdings	39	6.8	7.7	10.2
64	56	46	Walter Alexander	64	6.8	7.7	10.2
276	214	204	W. S. Yates	246	17.1	7.0	3.8

Public Works Loan Board rates

Effective December 14					
	Quota loans repaid at maturity		Non-quota loans		A* repaid at maturity
Years	by EIP†	A#	by EIP†	A#	
Up to 3	101	101	111	111	111
Over 3, up to 4	101	101	111	111	111
Over 4, up to 5	101	101	111	111	111
Over 5, up to 6	101	111	111	111	111
Over 6, up to 7	101	111	111	111	111
Over 7, up to 8	11	11	111	111	111
Over 8, up to 9	11	111	111	111	111
Over 9, up to 10	111	111	111	111	111
Over 10, up to 15	111	101	111	111	111
Over 15, up to 25	101	101	111	111	11
Over 25	101	101	111	11	11

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hit by banana
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WALL STREET

Uncertain outlook prevails

THE IMPLICATIONS of last month's sharp rise in retail sales kept Wall Street subdued yesterday. Bond prices were left to consolidate around Tuesday's closing levels but stocks fell back while investment analysts debated whether the Federal Reserve Board would find it necessary to tighten credit policies in the new year, writes Terry Byland in New York.

In the bond market, prices steadied with the help of some short covering operations by professional traders needing bonds to meet selling obligations, agreed when the market plunged on Tuesday morning.

Stock markets, still unsure of the outlook for next year, drifted lower.

The Dow Jones industrial average closed down 0.24 at 1,246.65.

Significant areas of weakness included transport stocks and utility issues, which are always vulnerable to fears of high interest rates because of their high capital financing costs.

Industrial issues looked firm at the opening, helped by suggestions from some brokerage analysts that Tuesday's weaker trend reflected technical considerations inside the market.

Mr Joseph Barthel, Director of Butcher and Singer, commented that the Stock market was "oversold" and that this could spark a rally taking the Dow Jones Average to 1,320 "in the next few days."

But with the bond market still lacking

genuine retail support. Stock prices began to drift downwards.

The Interstate Commerce Commission put a retaining order on the planned merger shortly after stockholders of both Southern Pacific and of Santa Fe had approved the plan.

Motor issues made little headway despite the renewed strength of car sales disclosed both by the November retail totals and also by yesterday's announcement of sales totals by the major car-makers.

General Motors at 73 1/4 showed a 3/4 fall.

Small losses were scattered throughout the range of heavy industrials but dealers said that selling pressure was light. IBM, the market bellwether stock, edged ahead by 3/4 to \$122 1/4 but the other high technology leaders remained uneasy with Honeywell 1 1/4 down at \$134 1/4.

General Electric fell 3/4 to \$57 1/4, Westinghouse 3/4 to \$54 1/4 and Exxon 3/4 to \$38.

The strength of the U.S. dollar on foreign exchange markets continued to unsettle pharmaceutical groups which must compete in overseas markets. Bristol-Myers at 41 1/4 gave up 1/4.

The AT&T issues continued to head up the list of active stocks. New AT&T slipped 3/4 to \$18 1/4 on 1.5m shares traded while the old stock, 3/4 off at \$64 1/4, saw 1.3m shares turned over.

The financial sector was again featured by American Express which re-couped 3/4 of its loss to stand at \$28 1/4.

In the credit markets, prices continued a technical rally which showed itself in the closing minutes of the previous session.

Specialists in the bond market now see little chance of prices gaining ground in the short term. The U.S. Treasury will be a heavy borrower in the credit markets in the closing days of this year.

The Treasury announced late on Tues-

day that next week's regular auction of Treasury bills would seek \$12.8bn - a somewhat larger amount than has been seen at the auctions for the past 10 months.

This early warning of coming Treasury pressures left the market to scan the Federal funds rate eagerly for any sign of the policies of the Federal Reserve Board.

Next week also brings a meeting of the Fed's open market committee which can be expected to deliberate over credit policies.

Treasury bills opened at almost the same levels as overnight, the three-month bill discounted at 9.08 per cent and the six-month at 9.23 per cent. The Federal funds rate edged higher to 9.82 per cent but the flow of funds was distorted by the usual settlement day operations by the banks.

The bond market opened a shade higher and held steady later in the session. The key long bond, the 12 per cent of 2013, traded at 100 1/4, a net 1/2 up and yielding 11.92 per cent.

LONDON

Industrials display resilience

BLUE CHIP industrials moved narrowly, though with a steady firm undertone in London while Government securities again displayed a lower bias as the pound came under renewed pressure.

The Financial Times Industrial Ordinary index, down 1.5 at one stage, ended the day 0.5 ahead at 751.1.

Insurance issues were at the centre of attention following the improved offers for Eagle Star by Allianz and BAT Industries. Eagle Star which had advanced to 725p late on Tuesday following U.S. interest, fell back at one stage to 698p before recovering to end the session 1p higher at 718p. BAT Industries added 2p to 150p.

Details, Page 31: Share Information Service, Pages 32-33.

AUSTRALIA

DESPITE profit-taking on some recently active stocks, share prices in Sydney hit another record high as the All Ordinaries index gained 3.2 to 754.50.

Funds generated by the Carlton and United Breweries takeover continued to surface, providing strong support in the industrial sector.

CUB, with about 10m shares traded, put on 4 cents to A\$3.82 while Elders IXL, at the heart of the bid, rose 15 cents to A\$4.15. Other brewers eased following Tuesday's large gains.

BHP shed 10 cents to A\$14.00, while oil and gas shares were lively on takeover rumours. MIM added 10 cents to A\$3.90, Western Mining firmed 4 cents to A\$4.13 and EZ Industries put on 2 cents to A\$6.12.

Hutchinson Whampoa firmed 30 cents to HK\$ 14.50, Jardine Matheson added 20 cents to HK\$ 11.50, while Swire Pacific A gained a similar amount to HK\$ 14.00.

Hang Seng Bank posted one of the highest gains of the session with a 75 cent rise to HK\$ 37.75, with Hongkong Bank 5 cents stronger at HK\$ 7.00.

SINGAPORE

SMALL price movements in Singapore edged the Straits Times index 1.82 lower to 855.44 in moderate trading.

In banks, UOB picked up 5 cents to S\$5.85, while Malay Banking was unchanged at S\$9.50. Elsewhere, Sime Darby eased S\$2.37.

Properties were mostly unchanged and commodities were generally mixed.

SOUTH AFRICA

BANKING SHARES were again at the centre of attention in Johannesburg and Volkskas added 80 cents to R10.10.

However, there were no trades in Barclays National Bank which announced a R80m rights issue earlier in the week to fund its purchase of a 30 per cent stake in a new insurance group. Barclays stood at R19.50.

A slightly lower bullion price left gold shares easier although selling was mainly restricted to domestic investors.

Among heavyweight producers, Buffelsfontein shed 25 cents to R87.75 and Durban Deep was R1 lower at R31.

Other metals were also lower, with Impala Platinum down 15 cents to R15.80. Diamond share De Beers was unchanged at R9.20.

Industrials mostly moved ahead although Sasol dipped 30 cents to R7.50.

CANADA

CONTINUED losses in gold shares and new weaknesses that developed in oil and transport issues took shares lower on balance in Toronto.

A weaker mood also emerged in Montreal led by declines in industrials, utilities and papers, although bank issues managed gains.

EUROPE

Frankfurt spotlight on Allianz

THE CENTRE of attention in Frankfurt trading yesterday was market reaction to Allianz's seemingly impossible task of convincing UK shareholders of the merits of its latest bid for Eagle Star. The West German insurance group's new 665p per share bid for Eagle was topped within minutes by BAT Industries and investors judged a DM 25 drop in share price to DM 797 as suitable reward for the group's sortie across the Channel.

Elsewhere, the market remained obstinately lower, although the Commerzbank index, calculated at mid-session, was 1 higher at 1,018.3.

The main exception to the overall decline was Daimler-Benz, DM 5.50 higher at DM 664 to consolidate its recovery from the sharp drop prompted by its rights issue. BMW ended DM 6 lower at DM 425.80 and VW also saw a DM 1.70 loss to DM 203.70.

Electricals saw Siemens dim by DM 3.30 to DM 372.30 while machine manufacturers were much weaker with KHD off DM 8 at DM 250 and Linde at DM 387, DM 2 lower.

Some banks managed to contain losses within reasonable limits, with Dresdner DM 4 off at DM 180, Commerzbank DM 2.70 down at DM 159 and Deutsche Bank DM 2.50 weaker at DM 311.

Bonds closed broadly lower in moderate trading. Dealers attributed the decline to U.S. interest rate fears and the 10-year high for the dollar against the D-mark. Domestic bonds were as much as 1/2 point lower and the Bundesbank bought DM 50.3m in public bonds compared with Tuesday's DM 44.4m.

Amsterdam finally staged a retreat from its record breaking run as profit-taking trimmed between FI 1 and FI 3 off most shares and left the ANP-CBS index 1.3 lower at 155.4.

Heineken, particularly weak following reports that U.S. import controls may hit

its market share there, lost FI 1.30 to FI 125.50, while other internationals to decline were KLM, 60 cents off at FI 191.30 and Akzo, 40 cents lower, at FI 88.30.



Domestic bonds slumped following declines in New York the previous day.

Swissair and most insurances closed sharply higher in Zurich with other blue chips mainly steady. The Swiss Bank Corporation industrial index finished up 1 point higher at 372.50.

A SwFr 17 rise to SwFr 980 for Swissair greeted reports that the airline's earnings would recover faster than expected and that earnings could double to reach near SwFr 100m for 1983.

Banks held steady while some major industrials moved ahead strongly.

Technical factors brought Milan slightly higher, although the market continues to have reservations about Italmobiliare, shares of which have fallen steadily throughout this year.

A 1.3 per cent fall in industrial output did little to inspire, although most industrial stocks posted small gains. Banks were mixed.

A weaker tone emerged in Paris on year-end profit-taking and the Bank of France's 1/4 percentage point rise in call money to 12 per cent.

Constructions, engineering, stores and chemicals posted gains however, while hotels, electricals and oils were easier. Banks, foods and metals were mixed.

Steel shares sustained the sharpest falls in Madrid, while chemicals managed to hold onto advances. Some oil related issues also improved.

TOKYO

Liveliness reappears in speculatives

SOME LIVELINESS reappeared in Tokyo yesterday as speculative stocks drew attention in late trading, though investor interest remained generally subdued after a three-day losing streak, writes Shigeo Nishitani of Jiji Press.

The Nikkei-Dow average of 225 select issues closed 15.81 higher at 9,401.17 after recouping a 10.62 loss at the end of the morning session. But losers still outpaced gainers 356 to 309, with 213 issues unchanged. Trading was slower at 263.44m shares, compared with Tuesday's 274.41m.

Market participants were in no mood to make long-term investments and moved in only when they could take advantage of small, but swift, price fluctuations. Slack foreign buying also added to the market's weak undertone.

Most blue chips were out of favour, with Sony losing Y20 to Y3,320 and TDK Y10 to Y5,310. But Toshiba, the day's most active issue with 33.66m shares traded, rose Y5 to Y400 on continuous active buying from overseas.

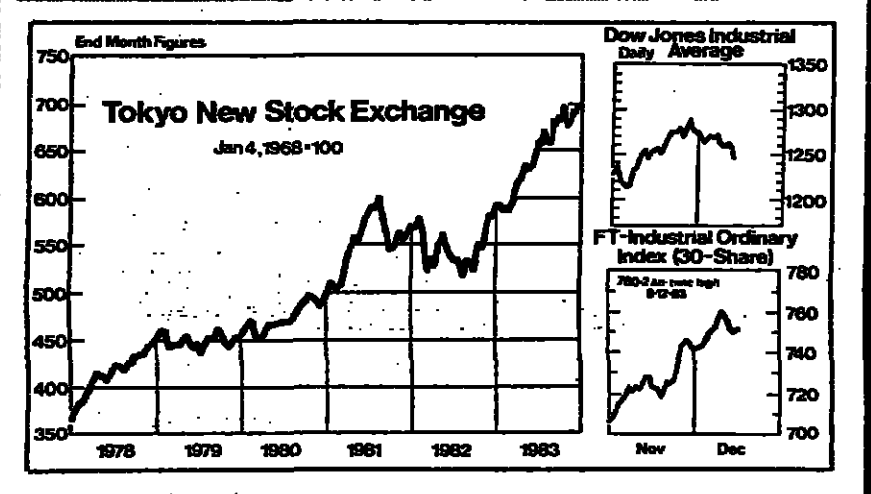
Nippon Kogaku shed Y40 to Y1,010 on profit-taking while Tokyuu Construction rallied Y40 to Y418.

Some budget-affected issues, constant losers in recent sessions on sacrifice selling by margin buyers, advanced in late trading, as dealers at securities firms stepped in for support buying on their own accounts.

Bond Trading was slow, as dealers were preoccupied with the Bank of Japan's buying operation for government bonds worth Y100bn, with payment set for December 23. The operation was intended to infuse funds into the nation's financial market to cope with a massive fund shortage expected on that day.

The yield on the benchmark 7.5 per cent government bond due in January 1993 closed at 7.515 per cent, compared with Tuesday's 7.505 per cent.

KEY MARKET MONITORS



STOCK MARKET INDICES				
	NEW YORK	Dec 14	Previous	Year ago
DJ Industrials	1246.65	1255.89	1009.38	
DJ Transport	594.25	604.45	435.10	
DJ Utilities	132.42	134.15	118.31	
S&P Composite	164.20	164.93	137.38	

LONDON				
	FT Ind Ord	751.1	750.60	586.60
FT-A All-share	463.21	463.50	377.91	
FT-A 500	463.86	464.55	417.31	
FT-A Ind	455.10	528.84	381.01	
FT Gold mines	577.50	584.30	508.70	
FT Govt secs	82.30	82.43	78.83	

TOKYO				
	Nikkei-Dow	9401.17	9385.56	7913.62
Tokyo SE	695.19	695.30	582.63	

AUSTRALIA				
	All Ord.	754.50	751.20	479.50
Metals & Mins.	550.90	547.80	407.70	

AUSTRIA				
	Credit Aktien	54.57	54.23	48.51

BELGIUM				
	Belgian SE	133.58	132.81	99.70

CANADA				
	Toronto Composite	2528.0	2538.80	1658.40
Montreal Industrials	442.77	445.46	318.29	
Combined	426.29	428.70	313.33	

DENMARK				
	Copenhagen SE	n/a	188.46	91.57

FRANCE				
	CAC Gen	151.20	151.90	100.80
Ind. Tendance	161.70	163.10	120.50	

WEST GERMANY				
	FAZ-Aktien	343.92	343.77	249.04
Commerzbank	1016.30	1015.70	782.10	

HONG KONG				
	Hang Seng	874.78	862.81	803.84

ITALY				
	Borsa Comm.	183.62	182.78	164.14

NETHERLANDS				
	ANP-CBS Gen	147.20	148.50	100.30
ANP-CBS Ind	120.90	122.00	83.40	

NORWAY				
	Oslo SE	213.94	215.42	99.67

SINGAPORE				
	Straits Times	865.44	867.26	750.42

SOUTH AFRICA				
	Gold	842.80	850.30	910.90
Industrials	933.10	929.80	728.20	

SPAIN				
	Madrid SE	120.44	121.10	96.73

SWEDEN				
	J & P	1480.87	1499.09	847.43

SWITZERLAND				
	Swiss Bank Ind	372.50	371.50	281.00

WORLD				
	Dec 13	Prev	Yr ago	
Capital Int'l	180.20	181.10	150.90	

New Issue

This advertisement appears as a matter of record only

December 14, 1983

VEBA

Amsterdam, Netherlands

VEBA INTERNATIONAL FINANCE B.V.

DM 300,000,000
4% Deutsche Mark Bearer Bonds of 1983/1993
U.S.\$ 70,000,000
8% U.S. Dollar Bearer Bonds of 1983/1993

with Warrants attached to subscribe for 3,870,000 Bearer Shares of
VEBA Aktiengesellschaft
at the subscription price of DM 166 per share of DM 50 each

unconditionally and irrevocably guaranteed by

VEBA AKTIENGESELLSCHAFT

Bonn and Berlin

Issue Price: 100 %

Dresdner Bank
Aktiengesellschaft

Commerzbank
Aktiengesellschaft

Bank of America International
Limited

Banque Nationale de Paris

Bayerische Hypotheken- und Wechsel-Bank
Aktiengesellschaft

Berliner Handels- und Frankfurter Bank

Den norske Creditbank

Goldman Sachs International Corp.

Merck, Finck & Co.

Morgan Guaranty Ltd

Nomura International
Limited

Salomon Brothers International

Sumitomo Finance International

Algemene Bank Nederland N.V.

Banque Bruxelles Lambert S.A.

Banque Paribas

Bayerische Landesbank Girozentrale

Chase Manhattan Capital Markets Group
Chase Manhattan Limited

Deutsche Girozentrale - Deutsche Kommunalbank -

Kleinwort, Benson
Limited

Merrill Lynch Capital Markets

Morgan Stanley International

Sal. Oppenheim jr. & Cie.

J. Henry Schroder Wagg & Co.

Swiss Bank Corporation International
Limited

Westdeutsche Landesbank Girozentrale

Amro International Limited

Banque Internationale à Luxembourg S.A.

Barclays Bank Group

Bayerische Vereinsbank
Aktiengesellschaft

Credit Suisse First Boston
Limited

DG BANK
Deutsche Genossenschaftsbank

Kreditbank International Group

Morgan Grenfell & Co.
Limited

The Nikko Securities Co., (Europe) Ltd.

Orion Royal Bank
Limited

Société Générale de Banque S.A.

Union Bank of Switzerland (Securities)
Limited

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

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Continued on Page 32

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

[illegible]

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend *no interest* b-annual rate of dividend plus stock dividend c-liquidating dividend d-called e-new yearly low f-dividend declared or paid in preceding 12 months g-dividend declared but not paid in preceding 12 months h-dividend declared but not paid in preceding 12 months i-dividend declared but not paid in preceding 12 months j-dividend declared but not paid in preceding 12 months k-dividend declared but not paid in preceding 12 months l-dividend declared but not paid in preceding 12 months m-dividend declared but not paid in preceding 12 months n-dividend declared but not paid in preceding 12 months o-dividend declared but not paid in preceding 12 months p-dividend declared but not paid in preceding 12 months q-dividend declared but not paid in preceding 12 months r-dividend declared but not paid in preceding 12 months s-dividend declared but not paid in preceding 12 months t-dividend declared but not paid in preceding 12 months u-dividend declared but not paid in preceding 12 months v-dividend declared but not paid in preceding 12 months w-dividend declared but not paid in preceding 12 months x-dividend declared but not paid in preceding 12 months y-dividend declared but not paid in preceding 12 months z-dividend declared but not paid in preceding 12 months

WORLD ECONOMIC INDICATORS
every Monday—Only in the Financial Times

FT UNIT TRUST INFORMATION SERVICE

[illegible]

281.1	—	General Portfolio Life Ins Co Ltd	Save & Prosper Group	StpCapital	£16.57
145.9	—	Generalport Life Insurance Co Ltd	4 Gt St Helens, London EC1P 3EP.	IntCurrency	£1.11

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Prime Res	117.2	124.0	—	N European	108.4	114.1	+ 0.4	U.S. 3 Fd	\$10.44
Deposit	118.2	124.3	+ 0.2	Pacific	115.0	121.0	+ 0.7	& Sterling Fd	\$5.22
MpdCurcy	95.1	100.2	+ 0.2	Intl Recovery	116.5	122.6	—	SwFranc Fd	Swfr20
GloHmCarr	94.0	99.0	+ 0.3	Gilt Plus	142.2	149.7	- 0.1	Jap Yen Fd	Y2.053.94
				Property	129.6	130.4	—	Deutschmk Fd	Dm20.35
Pension Funds				Deposit	132.6	139.6	—	Managed Fd	\$10.16
UK Equities	107.5	113.3	+ 0.1						

[illegible]

1

Handwritten note: "J.P. in 1975"

INSURANCE & OVERSEAS MANAGED FUNDS

Table with multiple columns listing insurance companies and their managed funds. Includes entries like 'Black Horse Life Ass. Co. Ltd.', 'British National Life Assurance Co. Ltd.', 'Canada Life Group', etc.

Table with multiple columns listing insurance companies and their managed funds. Includes entries like 'Lloyd's Life Assurance - cont.', 'Property Growth Assur. Co. Ltd.', 'Standard Life Assurance Company', etc.

Table with multiple columns listing insurance companies and their managed funds. Includes entries like 'Barclays International', 'Butterfield Management Co. Ltd.', 'Capital Asset Management Ltd.', etc.

Table with multiple columns listing insurance companies and their managed funds. Includes entries like 'Hamiltons Fd. Mgrs. (C.I.) Ltd.', 'Richmond Life Ass. Ltd.', 'Savoy Life Assurance Co. Ltd.', etc.

OFFSHORE AND OVERSEAS

Table with multiple columns listing offshore and overseas managed funds. Includes entries like 'Adia Investment', 'Alliance Fund Management Limited', 'Bank of America International S.A.', etc.

NOTES
Prices are in pence unless otherwise indicated and are based on the value of the fund as at the end of the month.

COMMODITIES AND AGRICULTURE

Sugar values fall from recent highs

BY RICHARD MOONEY

WORLD SUGAR values fell yesterday with the London daily raws price being fixed £7 lower at £130 a tonne and the May position on the London futures market ending £140 down on the day at £157.625 a tonne.

Dealers could point to no clearly bearish news to explain the fall. Some saw the authorisation of 46,750 tonnes of white sugar for export with an ECU 339.90 (£195.56) subsidy at the weekly EEC tender in Brussels as mildly bearish, but most thought the result was neutral.

The only other fresh news was the announcement of a snap buying tender for 12,000 tonnes by Tunisia, but this would clearly have been a bullish influence.

It was pointed out, however, that sugar values had been sustained at relatively high levels recently only by the success of the International Sugar Agreement

negotiations and for the return of the Soviet Union to the market as a buyer.

These factors have been overtaken gradually by a lack of firm interest and by the evident keenness of India to sell sugar into the world market.

In Paris, M Georges Garinot, president of the French Beet Growers' Confederation, said this season's crop was estimated at 3.55m to 3.56m tonnes, sharply down on last year's 4.45m, but bigger than forecast earlier in the season, thanks to ideal autumn weather.

In Bonn, the West German Sugar Industry Association cut its estimate of beet deliveries to refineries to 16.7m tonnes from 18.5m tonnes last week and 22.4m tonnes in the 1982/83 campaign.

China's total output of sugar crops this year is estimated at a record 45m tonnes, up 3.2 per cent from 1982, Reuters reports from Peking.

NZ minister attacks EEC butter deal

THERE IS no reason why efficient dairy farmers in New Zealand should be held hostage to the whims of the European Community's problems, Mr W. E. Cooper, New Zealand Minister of Foreign Affairs and Overseas Trade, declared in Wellington yesterday.

Mr Cooper was commenting on the decision reached by EEC farm ministers this week to approve a two-month "roll over" arrangement on access of New Zealand butter to the Community.

He said there was no justification for putting New Zealand's trade in a strait-jacket of roll-overs when the Community's own milk production and trade continued unaffected by the failure to reach decisions at the Athens meeting.

● Average price of all tea sold at auction on Monday rose to 232.55p a kilo from 230.81p last week. Brokers said the rise was anomalous: the higher average was due to the coincidence of a greater proportion of good quality North Indian teas and a smaller offering of plain teas.

● ENGLISH farm rents averaged £78.73 a hectare in mid-October, up 10.4 per cent from a year earlier, according to figures published by the Ministry of Agriculture yesterday. Rent changes took place on 36 per cent of farms in the sample and for these the average ended at £89.59 a hectare, up 28.6 per cent.

● PAKISTAN estimates that its 1983-84 cotton crop will be little over 2.5m bales against 2.2m in 1982-83.

● U.S. production of cotton seed this year is estimated to be 3,063,000 short tons against an estimate of 3,017,000 last year and against 399,441 last year.

Banana glut hits the Windward Islands

THE SUDDEN fall in demand for bananas in Britain, attributed to a recent spell of cold weather, is a severe blow for Caribbean producers.

It comes just at a time when producers in the Windward Islands are striving to boost exports and recover some of the market share lost in Britain in recent years through production setbacks. Now the glut in supplies to the UK, and falling prices, means production has had to be cut rather than expanded.

Discussions between Geest Industries, which markets Windward Islands fruit, and the Windward Islands Banana Producers Association, have ended with a decision to delay shipments. Fruit prepared for export has been left in St Lucia and St Vincent.

Mr Leonard van Geest, chairman of the company, said it had secured contracts to dispose of some Windward Islands bananas in Italy. The quantity was limited to a 25-tonne lot, a meeting with the Windward Islands producers, Mr van Geest suggested that special attention be given to improving fruit quality, which has declined.

The production cuts for the Windward Islands (which also include Dominica and Grenada) have threatened their efforts to reach an export target for this year of 130,000 tonnes, 20,000 tonnes more than last year.

The problems have been particularly painful for St Lucia which this year expected to ship 60,000 tonnes of fruit, a 52 per cent increase on last year's exports.

The new developments have also further depressed spirits in Grenada where the economy has been hard hit by the U.S.-led military invasion in October following a army coup.

Before the invasion the island was on the way to equalling last year's shipments of 9,000 tonnes. Fields have not been adversely affected by the fighting, but shipping schedules have been disrupted.

Grenada's banana farms also face the prospect of having to subsidise a \$7.5m (£3.3m) loan granted by Canada to the previous government for cocoa rehabilitation. This would have been directly beneficial to the banana sector, for banana trees are shade tolerant.

The cocoa plants.

Canute James explains why a surplus has arisen at the worst possible time

One consolation for the Windward Islands is that any fall in shipments will be made up for by an earlier agreement with Geest Industries to increase the green market price of fruit by £30 a tonne to £225 a tonne.

While bananas from the Windward Islands are finding their way to a new market in Italy, Jamaica has announced efforts to exploit the market in the U.S., although still far short of fulfilling what the industry says is its potential on the British market, trial shipments of Jamaican fruit have been sent to Miami.

The industry is motivated by the shorter shipping time to the U.S. and aims to lay the base for meeting any shortfalls in Latin American supplies in the U.S. which may be caused by instability in Central South America.

Any benefits for Jamaica on the U.S. market must be some way in the future since the island is this year struggling to ship 30,000 tonnes of fruit to Britain. The industry says Jamaica is assured of British sales of at least 150,000 tonnes when this can be produced, but the average annual output of 70,000 tonnes has not been reached since a hurricane devastated the better farms in summer 1980.

A recovery of this market is dependent on two new farming projects being undertaken by the Government and United Brands of the U.S. The first attempt, which involves export of \$30m to farm 2,000 acres of fruit, has already started in eastern Jamaica. Another 3,000-acre development is planned for the central area of the island.

Mr Edward Seaga, Jamaica's Prime Minister, said: "What we are looking at is some 4,000 acres which will be able to produce between 60,000 and 100,000 tonnes for fruit for export. This will give us a very substantial base for meeting the 150,000-tonne market in the UK which we have not been able to meet for years."

Industry representatives here have said that the recently reported financial losses suffered by United Brands will not affect the local projects, which are aimed at a yield of 15 tonnes an acre — high by Jamaican standards.

Services will provide livestock producers with direct access to world commodity markets and will also undertake centralised buying on their behalf at prices normally not be able to obtain. The group has eight delivery depots in the country, where it can store farmers' forward purchases of raw materials if required. It also has 64 feed-mixing depots — described as a small family-owned business — which only provide on-farm mixing but also have links with a computer system giving the latest price details and suggested feed formulations.

Farmers to get Prestel animal feed ordering service

BY OUR COMMODITIES EDITOR

A SCHEME under which farmers will be able to buy raw materials for animal feeds at competitive prices will be introduced on Prestel by January 1 by Mill Feed Services.

By dialling the appropriate Prestel page, subscribers to the service will be given details of current world market prices for animal feed ingredients ranging from soyabean meal to cereal straw. They will also be able to obtain a recommendation by Mill Feed Services' specialists on the lowest-cost formulation available to meet their individual requirements

and order the materials for immediate or forward delivery. The service is part of a plan by Mill Feed Services to make on-farm mixing of animal feeds more competitive.

The Mill Feed group of companies was formed to promote an American idea whereby "feedmobile" lorries provide farmers with on-the-spot animal feed mixing facilities, using the farmer's own grain but supplying protein additives, mineral supplements or cereal substitutes.

On-farm mixing is estimated to account for some 7m tonnes of animal feed produced each

Rise in U.S. aluminium prices forecast

By Our Commodities Editor

U.S. aluminium ingot prices will rise to between 90 and 93 cents a lb by the end of 1984 against 81 cents now, according to a forecast by Mr James Walker, vice-president of Sales for Noranda Aluminium.

Mr Walker told the National Association of Recycling Industries meeting in New York that he expected aluminium ingot prices to average 85 cents a lb in 1984 with a significant rise coming at the end of the year and that a further fall in stocks in the next six months could cause periods of relatively tight supplies.

Meanwhile, however, base metal prices on the London Metal Exchange failed to respond yesterday to the weaker trend in sterling against the dollar.

In the U.S. Asarco again cut its forecast, selling price of copper by 0.50 cents to 2.22 cents a lb, and the New York aluminium and copper futures markets both opened showing losses on the previous day.

Coffee moves to new peaks

COFFEE prices moved to new life-of-contract highs on the London Robusta futures market yesterday. The January position gained 542 to £2,156.5 a tonne and the March position £15 to £2,020.5.

The rise reflected the easier trend in sterling and a continued shortage of immediately available supplies.

The Brazilian Coffee Institute said in Rio de Janeiro last night that it was raising its export price for all green coffees by 3 cents a lb, to 1.10 cents, and registration for January-February with a full quota of 1.2m bags (of 60 kg each) for January and a 300,000 bags initial quota for February.

Straw burning rules urged

BY OUR COMMODITIES STAFF

STRAW BURNING should be controlled by a system of national regulations instead of local by-laws which vary from place to place, and stiffer penalties should be imposed for breaches of the rules, according to the National Association of Local Councils.

The association, which represents 7,500 parish, town and community councils in England and Wales, has sent its proposals to the Home Office, Agriculture Minister, and has also written to the Environment Department and the National Farmers' Union.

The proposals are not unanimously supported within the association. At least five of its 44 county branches want straw burning to be banned

and alternative disposal methods to be found.

The Home Office, meanwhile, has proposed a drastic tightening-up of the by-laws on straw burning, including a 15-acre limit on any single burn and a ban on weekend and bank holiday burnings. It also wants farmers to incorporate ashes into the soil within 48 hours of a burn.

The proposals have not been well received by the National Farmers' Union, although it recognises that some further restriction on burning is inevitable after this year's widely publicised problems.

The union argues that 25 acres is the lowest practical limit for a burn.

PRICE CHANGES

In tonnes unless stated otherwise	Dec. 14 1983	+ or -	Month ago
Metals			
Aluminium	£1050		£1050
Lead	£1050		£1050
Copper	£1050		£1050
Gold	£1050		£1050
Platinum	£1050		£1050
Palladium	£1050		£1050
Nickel	£1050		£1050
Iron	£1050		£1050
Steel	£1050		£1050
Coal	£1050		£1050
Oil	£1050		£1050
Gas	£1050		£1050
Electricity	£1050		£1050
Wheat	£1050		£1050
Barley	£1050		£1050
Oats	£1050		£1050
Rye	£1050		£1050
Maize	£1050		£1050
Soyabean	£1050		£1050
Wheat	£1050		£1050
Barley	£1050		£1050
Oats	£1050		£1050
Rye	£1050		£1050
Maize	£1050		£1050
Soyabean	£1050		£1050

GOLD MARKETS

Gold fell \$1 an ounce from Tuesday's close in the London bullion market, but the dollar price finished at \$385.388. The metal opened at \$390.391 and traded between a high of \$390.391 and a low of \$387.387. Trading volume was on the low side with buying interest inhibited by the dollar's firmer trend and a further rise in U.S. interest rates.

In Paris the 12½ kilo bar was fixed at FF 106,250 per kilo (\$389.93 per ounce) in the afternoon compared with FF 106,250 (\$390.62) in the morning and FF 105,700 (\$391.24) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,800 per kilo (\$391.01) against DM 34,645 (\$390.97) and closed at \$388.4

LONDON FUTURES

Gold futures closed at \$388.4 (1983-84) from \$389.1-390.1. In London the dollar price finished at \$385.388, the metal opened at \$390.391 and traded between a high of \$390.391 and a low of \$387.387. Trading volume was on the low side with buying interest inhibited by the dollar's firmer trend and a further rise in U.S. interest rates.

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BRITISH COMMODITY PRICES

Commodity	Unit	Price
Wheat	100 lb	£1050
Barley	100 lb	£1050
Oats	100 lb	£1050
Rye	100 lb	£1050
Maize	100 lb	£1050
Soyabean	100 lb	£1050
Wheat	100 lb	£1050
Barley	100 lb	£1050
Oats	100 lb	£1050
Rye	100 lb	£1050
Maize	100 lb	£1050
Soyabean	100 lb	£1050

BASE METALS

COPPER VALUES remained under pressure on the London Metal Exchange despite renewed weakness in sterling against the U.S. dollar, forward market attracted modest support in initial dealings and closed at £1,028 before falling sharply to close the afternoon at £1,015. The selling was attributed to a lack of interest in copper, which also depressed copper prices on Comex.

Lead was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

TIN closed at £1,015 after £1,015. Lead was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

LEAD

LEAD was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

ZINC

ZINC was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

ALUMINIUM

ALUMINIUM was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

COCAOA

COCAOA was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

GRAINS

GRAINS were firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

WHEAT

WHEAT was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

BARLEY

BARLEY was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

OATS

OATS were firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

RYE

RYE was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

MAIZE

MAIZE was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

SOYABEAN

SOYABEAN was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

NICKEL

NICKEL was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

POTATOES

POTATOES were firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

JUTE

JUTE was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

MEAT/FISH

MEAT/FISH were firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

RUBBER

RUBBER was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

FINANCIAL TIMES

FINANCIAL TIMES was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

REUTERS

REUTERS was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

MOODY'S

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DOJ TONNES

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SUGAR

SUGAR was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

NO. 4 YESTERDAY'S

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NEW YORK

NEW YORK was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

SUGAR WORLD

SUGAR WORLD was firm at £1,028, while the downturn in copper prompted persistent selling of tin which closed at £1,015. Aluminium was fixed at £1,015 and nickel at £1,015.

WHEAT

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NO. 4 YESTERDAY'S

NO. 4 YESTER

